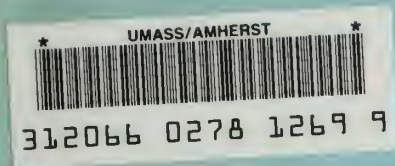


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**public purpose
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accountability**

may 1970

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THE MASSACHUSETTS PORT AUTHORITY:
PUBLIC PURPOSE AND PUBLIC ACCOUNTABILITY

Chester W. Hartman
Matthew Hobbs
Ira Jackson
Dan Leibsohn
Bernard Nevas
S. Michael Scholnick

May 1970



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INTRODUCTION

Special purpose public authorities are a common part of the American political system. Generally, they have been established for reasons of effectiveness and efficiency: to carry out specific functions that cross traditional boundaries of political jurisdiction and to perform these functions competently and with minimum cost to the taxpayer. Such authorities vary widely in scope, function, performance and public "visibility." The Massachusetts Port Authority (MPA) is in many respects a highly "visible" public body -- that is, a large segment of the general public is quite aware of MPA and its various activities. This is true in part because they are direct users of its facilities (an average of over 67,000 vehicles daily use the Authority's Tobin Memorial Bridge, and over nine million persons annually fly in and out of the Authority's Logan Airport); in part because some of its facilities -- most notably, the airport -- create an inherent and quite palpable conflict with their neighbors (and in the case of the airport the concept of "neighbor" is quite extensive when not only proximity to the airport itself but flight patterns and pollution effects are taken into account); and in part because the nature of the Authority has frequently brought it into open and vocal conflict within what can be called "the political arena."

In the Fall of 1969 a group of students at Harvard

University, undergraduates and graduates (from city planning and law), got together under my direction to study the MPA, out of a specific interest in the Boston area and a more general academic interest in special purpose public authorities. Our purpose was to prepare a report which could provide some general background information about the Authority, offer some evaluation of its performance, and -- primarily-- to place its operations within a broader context of transportation planning, the political process and public accountability. We reviewed all of the relevant written materials about the MPA and met with individuals at various levels of government and others with extensive and intimate knowledge of specific aspects of the MPA's operations. Our report is offered for use by those who wish to inform themselves about various aspects of the MPA's activities -- for one of our conclusions is that while many are aware of the MPA and have strong feelings about it, few are well acquainted with its detailed workings. The report is also offered for use by those who feel that fundamental changes need to be brought about in the Authority itself, its mode of operation and its place in the larger context of government and public services -- for out of our work has come a strong feeling that changes of this sort are definitely needed.

We are grateful to the many persons within the Authority and outside of it who gave of their time and knowledge. In particular we would like to thank the following

persons for offering comments at earlier stages of our work and reviewing a first draft of our material: Messrs. Edward Hanley, Edward King, John Thompson and Neil Lynch of the Massachusetts Port Authority, Frederick Salvucci of the East Boston Little City Hall, Sen. Mario Umana and Rep. Michael Dukakis, Joseph Baressi of the Boston Municipal Research Bureau, Frank Zeo of the Massachusetts Taxpayers Foundation, Paul McBride of the Metropolitan Area Planning Council, Alan Lupo of the Boston Globe, Profs. Frank Michelman and Martha Derthick of Harvard University and John Cooper of the Sloan School, MIT. Needless to say, responsibility for the conclusions and factual material rests solely with the authors.

Requests for additional copies, as well as any comments or corrections, should be directed to me at Robinson Hall, Harvard University, Cambridge 02138. Although all members of the study group are connected with Harvard University, that institution in no way is officially associated with our report.

Chester W. Hartman
Assistant Professor of City Planning
Harvard University

I. GENERAL BACKGROUND

The Massachusetts Port Authority was activated in 1959 by the Massachusetts General Court to:

- Consolidate the administration of certain vital air, maritime and ground transportation facilities in the general area of Boston
- Achieve the maximum economic and efficient utilization of these and other facilities that might be placed under its authority by the legislature.
- Develop, rehabilitate or otherwise improve the services and facilities for which it is responsible.
- Meet all of its current operating responsibilities and future development objectives on the basis of fiscal self-sufficiency through income derived from user charges and the issue of revenue bonds.*

The 1956 report of the Special Commission on the Massachusetts Port Authority, which led three years later to activation of the Port Authority, stressed both the inadequacies of the agencies then charged with running the port, airport and other transportation facilities and the substantial financial burden being placed on taxpayers to support their operations.** It was in order to improve the quality

* This description of MPA activities is taken from the Massport Annual Report for 1969. The Authority's annual fiscal year report provides a good overview of basic information about the MPA's current operations. Copies are available from the Authority's main office at 470 Atlantic Avenue in Boston.

** See H. 2575, Jan. 31, 1956; also see the 1955 Report of the Governor's Revenue Authority Advisory Committee, H2983, for additional background information about the concepts underlying MPA creation.

of these facilities and services, to coordinate their operations and to lighten the financial burden on the general treasury that the MPA was created. At that time both airport and port facilities were generally regarded as being in disgraceful condition; and in the eleven years prior to 1956 over \$50 million had been appropriated by the legislature to pay off the annual deficit for these facilities. By 1956 the airport alone had accumulated a debt of over \$42 million, and principal and interest payments were costing the Commonwealth \$3 million a year in 1957, with an additional \$1 million deficit attributable to the port.

The enabling legislation which created the MPA merged the administrative and planning functions of the previously unrelated Mystic River Bridge (the former name for what now is the Tobin Memorial Bridge) Authority, the State Airport Management Board, which operated Logan plus the smaller Hanscom Field in Bedford, and the Port of Boston Authority.* As part of this merger, the fundamental financial concept was introduced that the user rather than the taxpayer should pay for all costs of these major transportation facilities. Prior to creation of the MPA the sizeable annual deficits of the

* Legislation proposed by the Special Commission called for the Sumner Tunnel to be included in the MPA "package." When the Authority was activated in 1959, the tunnel did not actually come under MPA jurisdiction.

various facilities had to be met from tax revenues. Primarily to relieve non-users of additional tax burdens and to counter the growing political opposition from state legislators from suburban areas and the western part of the state, Governor Herter and the General Court created MPA as a self-sustaining public entity, financed by revenue bonds, which would not require pledging the State's or the City's credit.*

As a public instrumentality, the MPA benefits from two extremely important financial provisions. Like all similar public authorities, the revenue bonds it issues are exempt from Federal income tax, which means they can be sold at a considerably lower interest rate (usually about 2% lower than "market rate") than bonds whose interest is subject to this tax. And, as provided for in its enabling legislation, in the operation and "performance of essential government functions, the Authority shall not be required to pay taxes or assessments... provided, however, that...lands of the Authority...shall, if leased for business purposes, be taxed by the city to the lessees thereof, respectively, in the same manner as the land and buildings thereon would be taxed to such lessees if they were the owners of the fee." The more important implications of these provisions are discussed below.

The notion of an efficient, businesslike operation

* The image of a public body that costs the general taxpayer (as opposed to the user of the facility) nothing is strongly pressed by the Authority. Signs placed all over Logan Airport proclaim: "Since activation of the Massachusetts Port Authority in 1959, not one Massachusetts tax dollar has been used for Logan projects. Development and operating funds come only from revenue bonds and user charges."

was a cornerstone around which the MPA was constructed. The Report of the Special Commission noted that "the Port Authority Board would operate the Authority as the directors of any business corporation should manage its affairs, and this is on a businesslike basis..." With regard to the interrelated issues of fiscal autonomy and effectiveness, the Commission's Report noted that "all this would be without the necessity of going through the formalities, legislative and executive, required when money is to be appropriated by the State. Thus, long delays will be avoided and prompt action can always be had when spending the necessary funds for operation and maintenance."

Related to the desire to have "businesslike" operations is the notion of "good government" and incorruptible devotion to the public interest that was also very much part of the motivation for creating a quasi-independent authority. It is clear that the creation of the MPA was considered a political reform -- a piece of legislation designed to remove these facilities from the possibility of political corruption and the petty concerns of local political interests. The Massachusetts Supreme Judicial Court described the MPA as follows: "The Massachusetts Port Authority has no stockholders. No person can derive a profit through its operation. Only the public can be benefited."* The Authority has developed and maintained this "good government" image in a state

* Quoted in 1962 Annual Report of the MPA.

alleged to have widespread municipal corruption, where scandals are almost a way of life. Nothing in our research has led us to dispute the prevailing belief that MPA is remarkably free from the crasser forms of venality that seem to plague so many other public bodies. But this does not lead us to overlook the potential influence and power that may be exerted by an agency which to date has issued bonds totalling \$240 million and last year spent \$22.4 million, which directly employs hundreds of persons and is indirectly responsible for the employment of thousands of others, and which lets out dozens of contracts and operates facilities that intimately affect the economic status and convenience of tens of thousands of persons.

Nor has our research led us to accept the simplistic notion of "the public good" which so often is attributed to "apolitical" public bodies. Like any other bureaucracy, the MPA has legal obligations to fulfill, interests to pursue and "publics" to serve. It makes decisions and takes actions which benefit some and harm others, based on this structure of interests which may not so indisputably be characterized as "pro bono publico". The very structural independence of the MPA -- its freedom from "politics" -- has in fact tended to obscure some very important aspects of the public interest, among which are: the general distribution of costs and benefits -- financial and social -- of MPA operations; the effects of these operations (most notably, the airport) on nearby users of land; and the role of the MPA operations

within the framework of an integrated metropolitan transportation strategy.

It may be that what the MPA needed in the late 1950's -- "prestige and efficiency of management"* -- ought now to give way to considerations of how the important operations of the Authority can be better integrated into a more holistic conception of the public interest, one which takes greater account of what MPA officials often describe as "provincial interests" and which permits the overall transportation needs of the Boston area and the Commonwealth to be satisfied in the most rational and least costly way possible. In this regard it is important to note that the notion of regional coordination of transportation facilities and the integration of public and private systems has never been a stated or implied goal of the Massachusetts Port Authority, and is not called for in its enabling legislation. Rather, emphasis has been placed on development and growth of the specific transportation facilities under its domain and on commercial developments associated with these facilities. This approach and rationale is indicated in the Authority's annual report for 1969:

The economic well-being of the peoples of every state and nation depends on their ability to establish and maintain competitive trade relationships and facilities...

* Interview with Frank Zeo, Massachusetts Taxpayers Foundation and member of the Special Commission on the Massachusetts Port Authority, Dec. 9, 1969.

Thus, the "business ethic" that underlay creation of the MPA also has important ramifications in the area of transportation planning.

All this is said not to denigrate the Authority, but to place its operations in a larger context. There exist a great many myths about the MPA, propounded by its supporters as well as its enemies, and one function of this report is to look at some of the broader issues involved in the agency's operations. There is at present a certain "aura" around the MPA, which tends to justify whatever the agency does because it has functioned well in business terms. The purpose of a more detailed and detached analysis is to test this assumption against a broader conception of the public good.

II. FACILITIES AND OPERATIONS
OF THE MASSACHUSETTS PORT AUTHORITY

Present facilities of the MPA are as follows. (All were part of the original "package" secured by the MPA in 1959.)

Logan International Airport (East Boston), including new terminals, recently constructed terminals, and those under construction or in the planning stage.

Hanscom Field (Bedford)

Tobin Memorial Bridge (spanning the Mystic River between Charlestown and Chelsea)

Castle Island (containerized port facility in Boston Harbor)

Boston Army Base (South Boston)

Boston Fish Pier (South Boston)

Commonwealth Pier (South Boston) and Dockside Freezer Facility

Mystic Piers (Charlestown)

Hoosac Piers (Charlestown)

East Boston Piers

Proposed facilities include:

New England Trade and Transportation Center (South Station)

Boston-Mystic Public Container Terminal (Charlestown)

Proposed Fish Pier (South Boston)

Leverett Circle Bridge (Boston)

New Jetport (under study)

LOGAN INTERNATIONAL AIRPORT is the eighth busiest airport in the world and is certainly the Authority's most important facility (in terms of total financial investment, planning effort and economic return). With a high incidence of commuter traffic, principally to New York and Washington, cities which together account for over half of all commercial flights, and with an inherent lack of development land, Logan is being designed to produce what the Port Authority describes as a "conduit-like airport through which people pass at the fastest possible speed and with the greatest efficiency." This concept is being executed through a master plan, with a \$250 million development program now in progress. Since 1958, Logan has seen a 222% increase in flights (now about 230,000 annually) and a 383% increase in total number of passengers (over 9 million people).^{*} Nearly 10,000 persons are employed at the Airport (only 200 of whom are MPA employees). The Airport contains a full panoply of related facilities, including a 328-room hotel, retail outlets and government offices. During fiscal year 1967-68 air cargo at Logan increased by 20%, to a record 196 million pounds.

Within the constraints imposed by locational considerations, Logan is generally regarded as an efficient airport. Perhaps the only significant criticism is the recent stress on separate, identifiable terminals for different airlines (viz. the new Eastern Airlines terminal), the

^{*} Massport Annual Report for 1969.

primary impetus for which is to meet the airlines' desire to advertise and distinguish themselves as separate entities. From the point of view of passenger convenience, more closely integrated and coherent facilities, in closer proximity to one another (as, for example, exists in the St. Louis airport) would seem to be more in the public interest, particularly for passengers changing flights or persons driving to the airport who leave on one airline and return on another, which creates the necessity for a long walk to their parking place.

Logan has the advantage, for air travellers, of being located very close to downtown Boston; a location less than ten minutes by auto from the downtown area is quite unusual for American cities. This probably is an important factor in encouraging use of the airport, particularly for short commuter trips -- most notably the trip to New York. (There are 130 weekday Logan flights to and from the three New York airports.) It also increases the importance of the airport as a factor in redevelopment of the downtown business district.* But Logan's proximity to the center of Boston and concomitant attractiveness have led to numerous problems regarding the airport's expansion, traffic congestion, and the impact of airport operations on adjacent population centers in East Boston, Winthrop, Chelsea and other

* The proximity of Logan to the downtown area has its negative aspects, in terms of pollution and noise, as well as potential danger from high buildings and nearby oil storage tanks.

nearby areas. In a study completed late in 1968 the MBTA and the MPA found that traffic to and from Logan had a serious impact on street congestion, especially during rush hours.* The study pointed out that peak hours are coincident for air and auto traffic and that since the bulk of Logan traffic makes use of the Callahan Tunnel, it is evident that air travelers comprise a large proportion of the congestion that daily develops in the area of the Tunnel. Although Logan's impact on the other major rush hour bottlenecks is perhaps less dramatic, it is nonetheless significant. Projected increases in air travel, as exemplified by the advent of 747 jumbo jets and huge supersonic transports, will add significantly to the local traffic problem.**

The limited expansion that has taken place for Logan Airport is costly and highly disruptive to adjacent users. The need and preliminary planning for a second airport (discussed below) is one manifestation of this constraint. Another is what East Boston residents term the slow but constant "chewing away" at the surrounding East Boston neighborhoods, which has caused so much political furor in recent years. The MPA has eminent domain powers to purchase land required by the FAA for runway extensions and safety purposes (and as limited under Chapter 79 of the General

*Massachusetts Port Authority and Massachusetts Bay Transit Authority, Improved High-Speed Public Transportation between Logan International Airport and Downtown Boston (Dec. 18, 1968).

** The Port Authority has not been unaware of the traffic problems it helps to cause. MPA officials recently worked with the City to devise and implement a new traffic feeder pattern for the Boston end of the tunnel.

Laws), but it is free to purchase other properties on the "open market" whenever "it shall deem such purchase... necessary or convenient for the construction or the operation of any project..."*

Since its inception in 1959, the MPA has used its eminent domain powers to take only three residential buildings -- a fact which the Authority proudly asserts in the face of charges that it is a "land-grabber." But there are many more subtle ways of "taking," as our research into the Authority's operations indicates, and the effect of the MPA's expansion into East Boston is more clearly shown in the fact that since 1959 it has purchased over thirty properties, containing 27 houses and 3 businesses. A total of over 140 acres of land has been purchased, some 5 acres of which were residential. There is beyond doubt a good deal of truth to the charge, made by many East Boston residents, that such "voluntary" sales are in fact "distress" sales -- made by East Boston residents who, because of the proximity of the airport operations, find their present homes too noisy, vibrating, dangerous, insecure and generally unpleasant and who understandably have few buyers other than the MPA.** This may not be in all instances just an "unfortunate by-product" of necessary airport operations, but

* Enabling Act., Section 4.

** The MPA, on the other hand, views their willingness to purchase homes in the area as a somewhat munificent act, since there are few, if any, other buyers.

may be a means -- not unlike the "blockbusting" techniques of private real estate operators -- by which the MPA can clear adjacent areas in order to permit future airport expansion and to eliminate the abutters' opposition to certain features of airport operations.

HANSCOM FIELD is a joint civil/military air facility located 15 miles from downtown Boston in Bedford, in close proximity to the rich industrial and residential areas around Route 128. Although Hanscom has received relatively little attention from the Authority in the past, serious planning for Hanscom's use as an airport to relieve pressure on Logan, particularly for commuter-type commercial air traffic,* is now contemplated. In the last ten years Hanscom has seen a 262% increase in flight activity, and a jump in percentage of civilian flying activity in relation to total movements, from 57 to 95%.*

TOBIN MEMORIAL BRIDGE (formerly called the Mystic River Bridge) was opened over 20 years ago and provides an essential element in the eastern Massachusetts ground transportation system. It will become even more important in the future, with completion of the Lynn/Saugus section of Interstate 95. The annual total of nearly 25 million vehicles includes over 16 million commuter trips. Total revenues from Bridge tolls were over \$4.5 million in 1968. Since the costs of operating the Bridge (maintenance, administration, toll personnel, etc.) amount to an estimated \$927,000, the

* Annual Reports of MPA, 1958-69.

Bridge provides the MPA with an annual excess of revenue over cost of approximately \$3.5 million. Most of this excess is used for bond retirement, but there are still several hundred thousand dollars which the Bridge operation contributes to general MPA funds. (The complexities and significance of MPA bond arrangements with respect to the Bridge are discussed in Part IV.)

As is true of many elements of the road system which serves the Boston area, the Tobin Memorial Bridge suffers from severe overload during morning and evening rush hours. Relief of one particular bottleneck, involving approaches to the Boston side of the Bridge, is expected through construction of the Leverett Circle Bridge, a \$15 million facility which will begin west of Leverett Circle, at the Boston Science Museum Bridge, pass through a tunnel underneath the Circle, climb over the Boston & Maine tracks leading to North Station, continue over the Charles River, and join Interstate 95 and the Tobin Bridge at the south abutment of the bridge. The MDC will contribute \$1.5 million to the construction of this facility, and plans are proceeding in conjunction with the Boston Redevelopment Authority, Metropolitan District Commission, State Department of Public Works, Metropolitan Area Planning Council and Massachusetts Bay Transit Authority. Plans for the Leverett Circle Bridge have encountered difficulties, stemming from lack of inter-agency coordination, opposition to the loss of Charles River Basin parkland, and concern about the effects on increased

traffic on Storrow Drive.

THE PORT OF BOSTON has suffered in the last several decades from an unfavorable reputation among domestic and overseas shippers and steamship operators -- a reputation based on a fairly realistic assessment of efficiency, labor costs, expenses, and condition of facilities. 1969 was more promising than most recent years: the Boston Shipping Association was able to sign its first labor contract in sixteen years (after a crippling 102-day strike which ended in April of 1969), and a decision was made to proceed with the development of a public containerized shipping facility on 45 acres of land behind the Mystic Pier in Charlestown.*

In addition to the new container port, which will have 50-ton capacity cranes, the Authority has been active on

*The Authority's development of this new container facility occasioned a public row with the Boston Redevelopment Authority, which claimed the MPA was operating in an urban renewal area without coordinating or clearing its plans with the BRA. Shortly after the property was purchased in 1968, from Schiavone and Sons, Inc., the head of the Charlestown urban renewal project stated that he had had no previous knowledge of the Port Authority's interest in the site, and the Administrator of the BRA called a press conference to complain that the BRA had been negotiating with Schiavone to buy this property, and that he, too, had no knowledge of the Authority's interest. MPA officials vehemently deny these charges, claiming that highest officials in the BRA were consulted, and that Administrator Warner's statement indicates both the "organizational nightmare" at the BRA and political maneuvering on the part of the mayor. It should be noted that this was not merely an inter-agency dispute, but raised important planning questions relating to the overall renewal plan for Charlestown. The BRA was interested in protecting the environs surrounding the new housing planned for Charlestown. The Schiavone property, a large scrap yard, was incompatible with the new housing development (cont. II-9)

several other fronts: a one million cubic foot general purpose freezer was opened in March, 1969, and, according to the MPA's 1969 annual report, promotional efforts in Boston and in field offices in Brussels, Chicago, New York and Tokyo resulted in a number of new shipping services calling in Boston. The new dockside freezer is located on Commonwealth Pier No. 5 and includes a railroad siding, truck loading docks, government inspection facilities, and automatic fire and burglar alarms. The cost of this new facility is approximately \$1.2 million, 20% of which is being paid by the operator-lessee, the Pier Cold Storage and Warehouse Company; the balance of the cost, plus interest, will be recovered over the period of the lease.

The MPA's initial venture into containerized port facilities proved a failure. In 1966 the MPA completed construction of a \$1.3 million 27 1/2 ton capacity facility at the Castle Island Terminal to handle containerized shipments. The Authority then negotiated a 25-year lease with Sea-Land Services, Inc. to use the facility, the company to pay MPA an annual rent equal to 8 1/2% of the cost of the facility for the first twenty years, 1 1/2% per year for the remaining five years, which would amount to slightly more than \$2.4

(cont.) and would have been discontinued under the BRA plan (although the owner would have been permitted to reacquire the property and redevelop it as "clean" industry.) The BRA charges that MPA acquisition of the property, the proposed renewal and the traffic patterns thereby engendered endanger the larger Charlestown development plan. The MPA claims the scrap yard provides for efficient disposal of the City's junk autos, accounts for a substantial amount of the port's tonnage, and is not the only incompatible use in the area. They also charge that the BRA offers no alternate site.

million over the 25-year life of the lease.*

To date, the crane facility has remained unused, although rental payments are still being made to the MPA. The reasons for this are not completely clear, although labor difficulties and the fact that most of Sea-Land's containerized vessels are currently involved in shipments to Vietnam and are thus operating from West Coast ports are factors. Another explanation that has been offered is that the company never intended to use the facility and was interested only in protecting its interests with respect to its major containerized facilities in the New York-New Jersey port area (a desire that may have been shared by the Longshoremen's Union). By securing exclusive rights to use the Castle Island facility but no commitment to use it, the company could to an extent control competition in the Boston port (particularly since the facility was built to a size-module that will not fit the containers of other shipping companies). The monthly rent of \$8,800 may have been considered a small price to pay to control competition. The Port Authority rejects this theory categorically. Its position on the Castle Island Terminal is that the Authority has not suffered, since the rent is being paid; that the Sea-Land facility was for a special-sized container and was therefore unadaptable for other operators; that the Authority stood ready to build other facilities for any other operator

*Dept. of the State Auditor, Division of Authority Audits
Report on the Examination of the Accounts of the Massachusetts Port Authority from July 1, 1967 to June 30, 1968
(#69-A-80)

who wanted to come in; and that, in fact, no competition existed to Sea-Land at the time and the MPA was lucky to have anyone come in and was in no position to drive hard bargains. Other persons familiar with port operations suggest that a more alert and aggressive policy might have insured that the facility would be used -- thus providing real economic benefit to the area -- not merely assurance that the capital cost was being reimbursed. The new container facility in Charlestown, a public facility with a larger crane capacity, will at last, some five years after the Castle Island crane was built, bring containerization to the Boston port, and may provide the necessary competition to make Sea-Land finally use its Castle Island Terminal.

The port of Boston has been in serious trouble for many years. Although it is an excellent natural harbor and is well located in relation to regional markets and internal transportation and despite the huge growth of the national economy, total shipping has remained relatively constant -- and even declined -- since MPA took over port operations in 1959. (Foreign exports, incoming domestic and intraport and local arrivals have actually decreased.) The total active and useful berth length for general cargo in the port of Boston is 17,529 lineal feet for 31 berths. According to a recent analysis by Thomas T. Soules, the Port Director at the MPA, this space is used at only 6% of its potential efficiency (with the standard set at 10 tons per meter per day), thus ranking Boston a low fifteenth among U.S. ports on efficiency. Why

has this steady decline occurred? An excellent summary of the problems faced by the port is contained in a report by Paul K. Lambert, written for the Legislative Research Council.* The report analyzes the numerous factors that have contributed to the port's decline. Part of Boston's failure in competitive shipping is clearly due to a variety of external factors: the economies of scale at the Port of New York, the shift away from agricultural overseas exports toward greater emphasis on manufactured items and the imbalanced dependence of New England's industries on raw materials from overseas. While Port terminal charges are relatively competitive with other North Atlantic ports,** the prohibitive expense in recent years has been the cost of labor. According to the report, the port of Boston "is inferior when compared with output and cargo handling at other ports." As evidence Lambert cites the higher (28-100%) cost per ton of discharging and loading material at Boston compared with other North Atlantic ports. He places the cause of these higher rates on "an extreme job-security attitude" from the local waterfront labor unions, as evidenced in their refusal to use improved cargo handling methods -- particularly palletization. There seem to have recurrent slowdown efforts from the unions in recent years. (See pages 31-41 of the Legislative Research Council report.)

* "The Promotion of the Port of Boston," June 5, 1968, House No. 4852.

** Terminal charges: for dockage (25¢ per ton) wharfage (45¢ per ton -- N.Y. is 25¢), handling (\$2.80 per ton), usage (\$1.25 per ton) and demurrage, for failure to move cargo (2.5¢ per hundredweight per day).

A series of articles in the Boston Record-American in 1967 carries the labor conflicts issue even further. The reports apparently uncovered some correspondence and other evidence that indicated that the labor problems were resulting from direct influence and coercion from New York shipping interests actively trying to undermine the success of Boston -- their chief competitor.* The Legislative Research Council's report makes only passing reference to these findings -- perhaps because most of the information for the report was obtained from the MPA staff and others concerned with preserving the integrity of port activities.

The MPA does not go without severe criticism in the Lambert report. He begins by declaring that the MPA "has made substantial progress in airport development, but...it has not performed with distinction in developing waterborne traffic potential at the Port." (p. 43) He cites the Arthur D. Little (1966) report for the Boston Shipping Association (North Atlantic Port Survey) in reaching the conclusion that the reason the port has received so little financial investment each year from MPA stems from the nature of the Authority's revenue bond financing. In order to market their bonds, MPA restricts its investments to projects that promise a significant return. Statutory provisions requiring port profits to return to the Commonwealth to repay outstanding debts,

*The full series of articles was reproduced at the expense of the Boston City Council and distributed to the public. See Ed Francis, "The Truth About the Port of Boston," Boston Printing Section, April, 1967, 29 pp.

coupled with the uncertain economic future of the port, have simply made it unattractive for the MPA to allocate large resources to the port's improvement.*

Another study of the Boston port done several years ago concluded that "the present organizational capacity of the Massachusetts Port Authority to carry out its marine missions effectively is below requirements for research, planning, port protection, and port market development." With respect to the MPA's image among representatives of the maritime industry, the study concludes that "the attitudes which are most commonly encountered may be summarized as follows:

No organization in the port has had anything like the opportunity or power available to the Authority to make things happen, but the Authority has failed to live up to its promise and failed to take advantage of its opportunities to make things happen in the port.

This total image, however it may have arisen, is in contrast

* It is interesting to note that other North Atlantic ports have dealt with this problem by establishing special funds earmarked specifically for port improvement. Philadelphia receives direct support from the state (\$600,000 per year) and the city (which is underwriting a \$50 million bond issue for port facilities). Baltimore port improvements are drawn directly from a special state corporate tax, while Norfolk receives direct grants from the Virginia General Assembly. The Port of New York Authority, upon which MPA was modeled, employs a General Reserve Fund for new facilities, which is equal to 10 percent of all outstanding debt. The MPA states that it has no need for and does not wish financial assistance from the City of Boston or the state.

to that of Port Authorities in the other major North Atlantic ports."*

The Port Authority itself feels it has not slighted the port, but has done everything possible to foster its use. The principal obstacle, according to MPA officials, has been national maritime policy, which dictated abandonment of the Boston port in favor of concentrating shipping activities in other areas.

It can be concluded from the various studies that have been undertaken that, despite the port's numerous external constraints on growth, greater progress probably could have taken place in the past decade if the MPA had undertaken a more aggressive development program. The kind of interest and entrepreneurship the agency has shown with respect to the new Trade Center in Boston, for example, is nowhere evident in its port operations.

Regardless of future plans, the present port facilities themselves are for the most part in poor condition,** and little investment has been made in this area, particularly

* Rowland and MacNeal, Port of Boston Water-Borne Commerce Market and Development Requirements, Aug. 11, 1964, pp. 12-9, 12-10. This study was initiated by MPA Executive Director Edward King shortly after he assumed the post.

** See Howard, Needles, Tammen and Bergendorf 1969 Annual Report. An annual consulting engineers' report to the MPA and the New England Merchants National Bank of Boston, the MPA Trustee, evaluating the condition of all MPA facilities, is required under terms of the Trust Agreement between the Authority and its Trustee.

in comparison with airport facilities. Of the \$31.8 million available as working capital from the MPA's 1965 bond issue, \$29.0 million is estimated to have gone toward new construction and improvements at Logan, leaving a mere \$2.8 million for possible port improvements.* Many of the Authority's port properties ~~are~~ not under its direct control, and the agency has chosen not to invest in improving port properties which it will be phasing out or transferring to the federal government in the near future. The Authority has also sought to force the railroads, who control some of the more deteriorated port properties, to either renovate them or cede control.

One important reason for the lack of attention paid to the activities of the port by MPA can be found in Section 6 of the Enabling Act. Under this section it is specified that the MPA must turn over all net revenues from port properties to the Commonwealth until the Commonwealth's previous investment in the port is repaid. This amount is specified in the 1968 State Auditor's report as \$17 million. As of June 1969, the MPA had repaid a mere \$900,000 to the Commonwealth for the port properties. In the previous two fiscal years expenditures had exceeded revenues, so the Commonwealth received nothing. In addition, elsewhere in the MPA's

* The total bond issue was \$106.2 million, but \$74.4 million was for retirement of old bonds. \$2.8 million was estimated to be the maximum that might be invested in the port; some of this money may have gone for MPA facilities **other than** the airport and port. See Arthur D. Little, Inc., North Atlantic Port Survey, 1966.

1969 budget we find that \$725,000 was transferred from the port improvements fund to provide for debt service and maintenance on existing investments (which includes major portions for investment in the airport properties).

NEW ENGLAND TRADE AND TRANSPORTATION CENTER. With the passage of State legislation in late 1967, the MPA was authorized to construct a \$65 million trade and transportation center on the site of South Station. According to the MPA, the structure will include: a major terminal for all types of ground transportation, including trains, buses, cabs, limousines, rapid transit trains and private cars; a world trade center with more than 300,000 square feet of space for transportation-related tenants; a 5,000-car parking garage; a 500-room motor hotel; retail shops; a major trade mart with 400,000 square feet especially for permanent exhibitions, meetings and showrooms.* Completion is scheduled for late 1972. MPA offices will be located here. While the Trade Center will be exempt from local property taxes, the Authority will, as part of the agreement of conveyance executed with the BRA, make a payment in lieu of taxes to the City of Boston of at least \$1 million annually.

NEW JETPORT. A recent consultants' report commissioned

* Strict controls have been placed on some aspects of the MPA's development of the South Station complex, relating to design review, time-tables for development, exclusion of certain types of commercial uses (e.g., the complex cannot contain a department store, a provision inserted to protect the interests of existing downtown department stores.)

by the MPA predicts an increase in enplaned passengers for the Boston region from 4.4 million in 1970 to 8.3 million in 1980 and 12.1 million in 1990; figures on scheduled airline departures for these same three years are 94,000; 125,000; and 142,000.* Based on these projections, a second major airport, to relieve congestion at Logan, seems in the offing, but plans are still quite indefinite, and MPA has not even been designated to construct the facility (although it is most likely that if and when the decision is made to go ahead with the new airport, MPA will be named the developer). Several public agencies -- principally MPA and the Metropolitan Area Planning Council -- have been involved in planning efforts to date. Assisted by a HUD planning grant, a Technical Advisory Committee organized by MAPC and consisting of representatives of MPA, MAPC, the Federal Aviation Administration, the Massachusetts Aeronautics Commission, the State Department of Public Works, the State Department of Commerce and Development, and the MBTA, has supervised the work of a Cincinnati consulting firm, Landrum and Brown, which is carrying out the preliminary planning studies. The Technical Advisory Committee, while making use of the consultant's data, decided that more work needed to be done to establish the clear need for a second major airport and also questioned the

* See Landrum and Brown, Air Transportation Potentials and Facility Requirements in the Metropolitan Boston Air Service Area 1975 Through 1990 (Cincinnati: September, 1968).

consultant's recommendations on a new site, Dover, plus its recommendations for three new general aviation airports to be located in Reading, Weston and Hingham and its recommendations for V/STOL installations in Medford and Newton. The Committee, and especially the MAPC, feels that the consultant report was too exclusively concerned with technical aspects of transportation needs and did not adequately consider the political and social factors involved in creating an airport network.* At this point the MAPC appears to favor the Uxbridge-Douglas area (Worcester County) as the site for the new airport, and the MPA appears to have given up on prospects for the closer Dover site. The decision, of course, is a major one, and politically very sensitive. The proposed airport will require at least 10,000 acres, and, like garbage dumps, communities want such a facility nearby but not too nearby. The cost of the new facility was estimated by the consultants at \$386 million, based on 1965 costs. Many felt this was a far too conservative estimate and that based on 1970 costs the figure is in excess of \$3/4 billion. One MPA official guessed that at the time of completion development costs will have risen to the point where \$2 billion is a more realistic estimate. At this point the location, timing and developer are not settled, but it is likely that sometime in the next 10-20 years the MPA will be constructing and operating a second

* See Metropolitan Area Planning Council Boston Metropolitan Airport System 1970-90 (draft, July, 1969).

major jetport in the vicinity of the new route 495, and probably in an area southwest of Boston.★

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- * Recent remarks by Federal Aviation Administrator John H. Shaffer suggest that major expansion of Logan, as an alternative to building a second jetport, may be a possibility. In a speech to the Aviation-Space Writers Association in Las Vegas, Shaffer called Logan a "perfect" site to be developed into a great international airport. "I don't think it would be in the best interests of the taxpayers, or the people who want to travel, to develop another airport at a remote site," Shaffer said. Coupled with his remark that critics of Logan should "relax" and consider the positive side of the East Boston facility, this suggests the possibility that the federal government may try to use its influence to thwart development of a second jetport, in favor of vast expansion of Logan. See Boston Globe, May 19, 1970, p.8.

III. THE STAFF AND BOARD OF THE MPA

For an agency of its scope, the MPA operates with a surprisingly small and stable staff. In 1969 the Authority employed only 379 persons, almost identical to the number employed when the agency was activated in 1959. The present figure includes 40 toll collectors at the Tobin Memorial Bridge and 32 state police assigned to (and paid for by) the MPA. The central executive staff numbers a scant 16 persons.

The self-image of a small group of hard-working, competent and honest people is very much evident among the staff. In an interview, the General Counsel of the MPA remarked simply, "We feel we do the best job of any agency in Massachusetts."* The characteristics of the staff support the popular view of the MPA as an efficient, "business-like" agency. A high degree of centralization of power exists. The Executive Director, Edward King, and the Secretary-Treasurer, Edward Hanley, appear to be involved in every aspect of the Authority's operations and in most decisions, minor and major. They are competent, well-paid** men who are the repository of real power at the MPA.

The "esprit" and "new frontier" style of operation***

* Interview with Neil Lynch, General Counsel for the MPA, Dec. 16, 1969.

** King receives an annual salary of \$44,000, the highest salary of any public official in the Commonwealth. Hanley receives \$37,500.

*** For example, the Authority has recently adopted the (cont. III-2)

among the MPA staff can also lead to a lack of perspective. The agency seems to regard itself largely as a self-contained entity, operating and evaluating itself solely within a rather narrow conception of public purpose. It is difficult for the agency to see itself as one of many elements moving about in the social, economic and political fabric, and neither is it able to conceptualize a more holistic image of the city and metropolitan area and its place within that larger context. As seen by the agency, MPA's purpose is quite simply to make its facilities as profitable and efficient as possible. Although the MPA has studied high-speed rail service, it is doubtful whether they would support any proposal that would undermine the profitability of their existing air facilities.* Such action, which doubtless would be in the public's interest, would probably not be undertaken simply because the Authority did not inherit the responsibility for high-speed rail transport.

This stance is not peculiar to the MPA or the specific individuals who comprise its staff, but rather flows from the nature and original principles underlying the creation of

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sleeker, more modern appellation "Massport." Some persons have charged that assuming this "softer" name is an attempt to avoid use of the harsh word "authority," discard the poor image and connotations which the name "Massachusetts Port Authority" has for so many people, and that this change also has the effect of confusing people as to whether there are two agencies or one.

* "The State Legislature would have to tell us to stop expanding the airport." Interview with Edward Hanley, Jan. 20, 1970.

such special purpose authorities.*

This kind of "in-bred," overly confident approach to their work also has led to a good deal of criticism that the agency has little regard for community interests and is primarily interested in commercial prosperity. The independent professional technocrat removes the public, and its needs, one step further away from responsiveness. Because the plans and operations of the agency are extremely complex at times, there is an inherent tendency or at least danger that social concerns and the larger questions of cost-benefit analysis and economic utility will be sacrificed. Because the social costs associated with the agency's operations at present impose no economic cost on the agency -- the MPA is not required to bear the full costs that its airport operations impose on the surrounding community nor the general social costs that result from the absence of a legislative mandate to integrate its transportation planning into an overall strategy for the region -- the business orientation of the agency permits and encourages it to ignore the overall public interest.

Ultimate responsibility for the MPA's operations and policy rests with the seven-man Board, appointed by the Governor for seven years (with staggered terms). Aside from

*A similar observation about the Port of New York Authority was made by Edward Chase in an article in the June 1960 Harpers Magazine: "Because the PA is required by law to maintain its financial self-sufficiency, it has tended to promote transportation facilities likely to make a profit."

the provision that a representative of labor be on the Board, the only statutory stipulation is that members' political affiliations be balanced so that there are never more than four members of any one party. Board members receive no financial remuneration except travel expenses (although Edward Hanley says he can remember only one instance in which a Board member actually did request reimbursement for expenses).

The present appointed members of the Board include:

John Larkin Thompson, Chairman; law firm of Palmer and Dodge; Republican; No. Scituate.

Thomas G. Brown, Jr., Vice President of State Street Bank and Trust Company; Independent; Swampscott.

Anthony P. DeFalco, Director of Franchi Construction Co., Inc.; Republican; Needham.

Frank L. Harrington, Jr., President of Paul Revere Life Insurance Co.; Republican; Worcester.

Edward C. Maher, President of the Home Federal Savings and Loan Association of Worcester; Democrat; Worcester.

Nicholas P. Morrissey, Vice-Chairman of MPA; New England Representative of the International Brotherhood of Teamsters, Chauffeurs, Warehousemen and Helpers of America; Democrat; Boston.

Rev. Albert J. Sallese; Most Holy Redeemer Parish; East Boston.

It is difficult to make sweeping generalizations about either the appointment process or the qualifications of Board members, largely because a number of governors, all with different motives, have made appointments. Official MPA rhetoric that Board membership, like all Authority activities, is beyond politics, is certainly an overstatement. Certainly,

political motives have strongly influenced past Board appointments.*

A few other generalizations can be made regarding the selection process of the Board members: all the members are directly concerned with big business and industry and until just a month ago no member of the Board had ever been appointed who resides in the East Boston community or in the communities most directly and adversely affected by the Authority operations.

A further generalization is that few of the men appointed to the MPA have a background or expertise in either the specific functions performed by the Authority or in issues of overall transportation planning. While this would seem to be a critical attribute for leadership of a public

* Recently deceased Board member Howard J. Fitzpatrick, High Sheriff of Middlesex County, was a top Democratic fund-raiser. His obituary, in the Feb. 24 Boston Globe, noted that "he was appointed to the Massachusetts Port Authority in 1964 by Governor Endicott Peabody after proving himself one of the most consistent vote-getters in Middlesex County elections for 16 years." Another Peabody appointee, however, meets entirely different standards and apparently was chosen for very different reasons. Edward C. Maher, who is known as one of the more enlightened and intelligent Board members, is President of the Home Federal Savings and Loan Association of Worcester and is a past chairman of the Worcester Development Authority. While the appointment is certainly not blatantly political, it is likely that political concerns again were significant; Maher is an important man from the central part of the state. Not only did this appointment please legislators outside the Boston area upon whom the Authority relies for support of legislation permitting new bond issues and for defeat of hostile legislation, but he also presumably has many personal contacts with these legislators, and could prove a key man in a tough legislative fight.

agency like the MPA, the dominant business orientation and ethic of the agency finds its reflection in the backgrounds and positions of the men chosen to lead it. Several persons interviewed for the present study indicated their feeling that the overall quality of appointees to the MPA Board in recent years has been declining.*

These comments about the nature and characteristics of the MPA Board reflect a long-term failure on the part of the central executive office of the Commonwealth to play a significant role in shaping the policies and directions of the Port Authority. Essentially, it is the Governor who has the greatest opportunity to influence the Authority, through these appointments, but it appears that the Commonwealth's various governors over the past decade have chosen to take the position of executive non-involvement.**

It would, however, be incorrect to exaggerate the power the Board actually wields, despite the fact that all

* For example, Frank Zeo of the Massachusetts Taxpayers' Foundation and a member of the original Special Commission on the Massachusetts Port Authority, states that "recent governors have not maintained the high standard for Board appointments set by Governor Herter." Interview, Ap. 27, 1970; cf. Austin J. Tobin, "The Authority Method of Handling Large Public Projects," address before the Annual Conference on Economic Problems of the Boston Area, Boston College, May 19, 1955.

** Whereas with the former two-year term, governors had little opportunity to put their "stamp" on the MPA board, the present four-year term, together with occasional resignations and deaths, plus the Governor's right to name his own Chairman, give present chief executives far greater potential policy-making influence over the MPA.

formal power resides with these seven men. The frequent turnover of Board members; their part-time lay status, with members usually spending less than a day a week on MPA business*; the competence and long terms of the top staff, in particular the Executive Director and Secretary-Treasurer: all these factors lead us to the conclusion that effective power at the MPA resides with the staff. The presence and nature of the Board, however, serve to modify staff behavior, and the Board's constant latent potential of invoking its will at any point certainly means that the Board as a whole and its individual members are by no means figureheads or impotent.

If the operations of the MPA can generally be characterized as efficient, then the public style of the agency has to be described as defensive and "close to the chest." MPA officials feel they are everyone's political whipping boy, an easy mark for attack and criticism. Their view is that they operate facilities (particularly the airport) that inherently cause conflict with some segments of the public, yet this is not their fault, as it is not due to the way in which they operate these facilities, but to the nature of these facilities themselves. Local politicians frequently lambast the Authority, and their motive often is principally to pick up "political points" with the local electorate. MPA staff seem genuinely to resent this and regard it as extremely unfair,

* Board Chairman Thompson reports that he spends an average of two days a week on MPA business.

when all they are doing is their job, and doing it well according to their standards.

At least partly in response to this hostile environment from many segments of the general public, the Authority has drawn inward and maintains a sharp control on the kind and amount of information that goes out from its offices. A facade of openness exists: the Authority's well-designed Annual Report is freely and gladly distributed; high level staff members often handle details of operation (if a citizen phones in a complaint about MPA-owned property, it is not unlikely that he will be connected with Development Director Paul May himself); and the highest executives are most friendly and giving of their time to interested individuals who come in seeking specific or general information. But despite these displays of openness, when information of a more fundamental nature or that which somehow threatens the Authority is sought, it is difficult to get reliable information, as community people, in particular, report.

One example of the Authority's attempt to discourage uncontrolled outside scrutiny is its interpretation of the recently passed "open records law," which permits citizens access to many categories of written materials of public agencies. The Authority has taken the position that only those materials dated after the law was signed, on August 27, 1969, are open to the public -- even though a more genuinely "public regarding" stance would have been to heed the spirit rather than the letter of the law and allow the public access to

relevant agency records, regardless of the legal technicality of date. In a similar vein, attempts by state legislators and others to obtain itemized accounting of lobbyists' expenditures have gone unrequited.*

Neighbors of the MPA's facilities, particularly in East Boston, have been consistently frustrated in their attempts to secure Authority plans for expansion and land acquisition, information about so-called "red-lined areas" around the airport which has clear impact on their interests and future. Legislators, state and city agencies, interested members of the general public have complained about their inability to extract from the Authority information vital to their concerns.** All this has served to create an understandable and legitimate sense of mistrust and apprehension about the MPA in many segments of the Commonwealth. It would appear that the Authority is either not fully aware of this or, more likely, that they have chosen to accept this situation as the price for greater autonomy.

*The MPA employs, at various times, several professional lobbyists, who work principally to oppose or support bills introduced in the General Court affecting the Agency's interests. A group of state legislators have recently complained about possible violation of state conflict-of-interest laws with respect to these lobbyists, who also work for other employers. To date they have received neither the information they requested concerning the lobbyists' activities and expenses, nor a satisfactory response from the MPA on the issue of possible legal violations.

**The Authority steadfastly denies that it keeps important information from the interested public. In an interview on April 27, 1970, Secretary-Treasurer Hanley stated: "Anyone interested in any information regarding the Authority should contact Mr. King directly."

IV. MPA FINANCES

At the end of fiscal year 1968-69 the MPA had an annual gross revenue of nearly \$23 million. This consisted of \$9.5 million from tolls, fees and sales of services related to their various facilities; \$5.9 million from rental fees; \$6.2 million from concessions; and slightly over \$1 million from reinvested capital, usually in short-term Treasury bills. Expenses included \$6.8 million for annual operating and maintenance costs; \$3.6 million for interest on outstanding bonds and \$5.5 million to amortize serial bonds which came up for retirement that year; \$5.1 million for improvements and extensions of facilities; and miscellaneous fees for new equipment and repairs. This results in a total annual expenditure of \$22.4 million, about \$400,000 less than the gross revenue. This money is transferred to the operating fund for the following year.

It is interesting to note that nearly half of all the MPA's expenditures is directed toward paying the costs of the outstanding bonds. Bonds are the critical factor in the Authority's operations and, as we shall discuss below, the nature of the bond market strongly influences the style and direction of MPA activities.

As noted earlier, MPA is financed by bond issues, backed not by the credit of the Commonwealth, but by revenues from operation of MPA facilities. Since its activation in

1959, the MPA has had three bond issues. The funds have been used to repay the Commonwealth the price assigned to those facilities originally conveyed to it from the three agencies which were dissolved simultaneous with the creation of the MPA, and to finance the improvement of these facilities and the development of new facilities. The original 1959 MPA bond issue of \$72 million was used to retire \$22 million of Mystic River Bridge bonds, repay the Commonwealth \$20.9 million for its airport properties and a \$750,000 advance given to it for initial administrative expenses; the remainder was allocated to the Authority's various development and operating funds. In 1964, the Authority determined its additional financial need to be \$33 million and issued bonds totalling \$106.2 million, which additionally covered a favorable refinancing at more favorable interest rates of the outstanding bond issue. A third MPA set of bonds was issued in 1969 for \$62 million to extend, enlarge and improve the airport and port properties.

The New England Merchants National Bank is Trustee for all the bond issues and is thus in charge of overseeing the Authority's financial operations. MPA bonds carry an "A" Standard & Poor rating, the highest rating possible for municipal bonds. While originally bond approval and sales were possible only because of the Mystic River Bridge toll revenues, today all of the Authority's facilities make a profit, and the Authority has little trouble floating new bond

issues.

MPA's freedom to raise its own money through bond issues, aided enormously by the tax-exempt status of its bonds, and the large sums which have therefore been expended on its facilities and projects over the past ten years have raised disturbing questions in the minds of some persons concerned with more general issues of public policy. They point to the real neglect of other social needs, such as housing, schools, community facilities, etc., and take issue with the relatively large and cavalier expenditures for facilities which perhaps ought to have a lower priority. Yet the virtual autonomy of the MPA as a decision-making body, and the "closed-system" nature of its financial operations -- if it can make money on a facility it can finance bond issues which permit construction of further money-making facilities -- permit no process of priority-setting and decision-making which takes account of a wider range of public needs, both within the transportation field and outside of it.

To say that the revenues from MPA facilities are not public tax monies but user charges begs the issue, because this is so only because they have been defined that way. A profit-making facility such as the Tobin Memorial Bridge could as easily have its excess of revenue over costs defined as money generally available to the public treasury, use of which can then be decided according to more public-regarding and comprehensive decision-making processes. It is interesting

to note that the Mystic River (Tobin) Bridge was constructed to become a non-toll facility once the financing costs had been repaid to the Mystic River Bridge Authority, which would have been in the late 1970's. When the Bridge was transferred to the MPA, the arrangement was abandoned. The Bridge was refinanced, in part to use the long-term revenue generating abilities of the Authority to enhance the overall bonding capacity and finance the development and operation of other MPA facilities. (Increased operating costs and the need to make additional capital investment for resurfacing also created financial needs beyond the original bond issue.) The effect of this policy, which stems from the original MPA enabling legislation, is thus to tax one segment of the MPA's "public" -- drivers who travel to the Northern suburbs -- in order to benefit another "public" -- primarily users of the airport. A relatively small group of the general public therefore was required to contribute substantially to a public facility with regionwide benefits, and, generally speaking, the former is a lower income group than the latter, giving the transfer an additional regressive aspect. The policy regarding bridge tolls was made solely within the context of the Authority's internal financial considerations. There was no consideration given (and no reason to incorporate such consideration, given the nature of the MPA) of the effect of toll structures on patterns of bridge usage and the overall surface transportation system. Nor was there any mechanism for deciding what other uses might be made of the bridge toll

revenue, either within the general framework of transportation needs, or for other needed social purposes.

By the nature of its financial operations and political structure, the MPA is employing valuable public powers -- eminent domain (albeit restricted), the ability to sell tax-free bonds, exemption from local property taxes for most of its properties, appropriation of money collected from the public -- in a way that might not be consistent with the public interest nor with a more rational and just ordering of social priorities. This is an extremely broad critique of the inherent nature of independent public authorities and the "revenue bond cycle" which we feel is important in evaluating the place of the Massachusetts Port Authority in the broader social context.*

Because of the critical importance of bond holders, actual and potential, and because of the sensitivity of the bond market, the MPA is forced to be highly attuned to the

* A further general criticism of tax exempt municipal bonds is that they tend to benefit high income investors, who are permitted to reduce, and sometimes entirely escape, Federal income taxes by investing in these issues. Cases of persons with hundreds of thousands of dollars of annual income who pay trivial, and in some cases no, income tax are not unknown. Treasury Department officials have long held that it would be far cheaper to the public fisc and certainly more equitable if the income tax exemption feature were removed from municipal bonds and instead direct Federal subsidies were paid to municipalities and other public bodies to compensate for the increased interest costs that would be incurred with its removal. Municipalities adamantly oppose removing this tax benefit, however (in part, because it is secure while a substitute Federal subsidy is subject to alteration or cancellation).

interests of bond holders. Should the Authority's financial standing fall, through mismanagement, poor use of funds or decreases in revenues to repay the outstanding bonds, its Standard & Poor rating might decline and investors might turn elsewhere with their money. Thus the lifeblood of the Port Authority's entire operations is the maintenance of an image of success as well as actual successful financial standing.* This characteristic is generally true of revenue bond-oriented public authorities, as is illustrated by the following observations with respect to the Port of New York Authority, which is in many ways a large-scale model of the MPA, and its "transcendental sense of obligation" to its bondholders: "Accordingly, only such enterprises can be undertaken as will enrich it or, at the very least, not disturb its credit standing.

* It is specified in Appendix A, Section 25 of the MPA's enabling legislation that after all existing and future bond issues are paid off, the properties originally assigned to the Port Authority can revert back to the Commonwealth. This means that every time a new set of bonds are issued or an old set refinanced, this date is pushed further into the future. At present the Port Authority has outstanding bonds, term bonds in series 1969-A, that have been refinanced until July 1, 2008; this would be the first time that the state could legally take control of any of the profit-making facilities. (Cf. the argument in the 1956 Report of the Special Commission on the Massachusetts Port Authority, justifying the financial and administrative advantages of consolidating these various facilities, "...thus hastening the day when the bonds of the Massachusetts Port Authority will be redeemed and all the facilities involved will be returned to the Commonwealth free and clear of debt." [p. 27])

Beyond all else, this is the number one guiding principle of every PA action."*

The Authority gives scrupulous attention to fiscal integrity and soundness: as part of the Trust Agreement, the Trustee, New England Merchants National Bank, weekly checks the MPA books and the itemization of all expenditures. The engineering consultant's report required as part of this Agreement is further insurance that the Authority's operation of its facilities is fiscally sound, and recommendations for repair and improvement contained in this annual review are generally regarded as mandate by the Authority.** And an annual financial review by the State Auditor and by public accountants engaged by the Authority provide yet further security.*** The terms of the Trust Agreement negotiated at the issuance of each new set of bonds impose severe constraints on how Authority funds are allocated. Operating and bond revenues are divided into a series of funds as follows:

* Edward T. Chase, "How to Rescue New York from its Port Authority," Harpers Magazine, June, 1960.

** It is unclear to what extent the consultant engineers published report and recommendations are completely independent of the Authority's needs and wishes, given the fact that it is the Authority that hires the firm and has the power to change consultants any time it wishes.

*** Both the engineering report, available from the Authority at its 470 Atlantic Avenue offices in Boston, and the Auditor's report, available from the State Auditor in the State House, provide up-to-date and detailed information about financial and physical aspects of the MPA's operations.

1. Construction fund (airport and port)
2. Port properties fund
3. Revenue fund
4. Operating fund
5. Interest and sinking fund
6. Maintenance reserve fund
7. Improvement and extension fund
8. Eminent domain fund
9. Research fund

Each fund has its own restrictions on the use of money and the amount of money that will be available for MPA's use. The procedures for allocating revenues from new bond issues into the various funds is set forth in Section 208 of the Trust Agreement. Basically, the important decision regarding how much will be spent on the airports and port is made by the Consulting Engineer after his evaluation of the needs of each facility. Enough money is deposited in each account to cover the anticipated costs during the coming year; the remainder is deposited in short-term government obligations (treasury bills, bonds and notes).* The interest from this investment

* Given the fact that the interest from investment in these bonds is exempt from Federal taxation, this investment practice represents a particularly ironic form of making money twice off the Federal government. Money is borrowed at below-market rates (recently about 4 3/4% interest), based on the Federal government's willingness to forego income tax revenue on the income of the bondholders; then part of the money is loaned back to the Federal government at market-rate interest, currently averaging 8+%. Furthermore, the MPA, as a public authority, is not required to pay taxes on these gains either to the Commonwealth or the Federal government. This financial advantage helps to explain why the MPA so frequently becomes involved in constructing new facilities and leasing them to private commercial interests rather than requiring private interests to finance their own facilities (with loans at interest rates that are competitive with other developments). The net result is that the taxpayers are indirectly subsidizing the construction costs of new terminals for the airport at (cont. IV-9)

is used to help pay off the interest on earlier outstanding bonds.

Thus, the many requirements related to the bonding structure and the need to satisfy the demands of bond-holders are a significant, albeit indirect, factor in determining MPA policies and actions. Although the list of actual bond-holders is one of the items we were not able to secure from the Authority (a combination of the fact that the majority of bonds are unregistered and the Authority and Trustee are unwilling to divulge information on the others), it is probable that who these people are (their institutional connections, possible points of contact with key MPA personnel, etc.) is not a matter of great significance. Rather, as a class they have an anonymous but potent influence on the way in which this important public body operates, what it does and does not do.

(cont.)the same time that mortgage money for new housing is in such short supply. (It has been facetiously suggested that the entire cost of governing the Commonwealth might be met by an agency set up in a similar manner to turn over investment money in this way. There is nothing illegal about this, it should be noted; it is, in fact, quite common, and many city governments follow these same practices.)

V. MPA AND OTHER LEVELS OF GOVERNMENT

The MPA occupies something of an "in between" position in the hierarchy of governments. It is a state authorized entity, but, as we have shown, quite independent. Its Board is appointed by whoever is governor at the time a vacancy occurs, but since appointments are for seven years and appointees virtually unremovable, governors usually do not get a chance to have a Board consisting of a majority of their own appointees until the very end of their term. Nor is the threat not to reappoint potent, if the Board member does not come up for reappointment for several years, particularly if the man making the threat may not even be governor at that time. The Governor does, however, appoint the Chairman of the MPA Board and usually makes several other appointments during his term, so the potential for influencing Board policies exists. There is, however, a good argument to be made for stability on the MPA Board, rather than having the agency constantly altering its policies to fit the desires of each successive governor.

While the MPA's operations have some impact on all parts of the state, its facilities are primarily located in the Boston area and are used by residents of and visitors to the capital city and its suburbs. Its principal deleterious effects are on one particular neighborhood of Boston, which has little way of influencing the giant agency through either its local or state elected representatives or in any other way. Indeed, it is hard to identify just what are the

ways in which citizens, neighborhood groups, other public agencies or municipalities go about influencing or restraining this highly autonomous body that was set up intentionally to be free of political controls and influences. A detailed case study of the MPA's activities in East Boston, presented in an appendix, offers some insight into problems at the neighborhood level. In this section we will attempt to give some indication (illustrative rather than comprehensive) of the problems that exist with respect to the operations of the MPA vis a vis other agencies and levels of government.

Relations between the MPA and the City of Boston are inconsistent, frequently hinging on the attitudes of whoever is mayor at the given time. Logan Airport certainly has been an important factor in Boston's downtown renaissance, but there are many areas of severe conflict, and at the moment the Port Authority generally is regarded by the City government in a very negative light, as something of a hostile camp within the City over which it has virtually no control (this, despite the fact that the City would in all probability not want to run the Airport itself). The Authority has money and (limited) power to take land within the City by eminent domain or market purchases;* most of its properties are exempt from local property taxes (the principal source of income for most cities); the city is legally

* The Authority's eminent domain powers are limited: it cannot take land to expand Logan Airport westward beyond its 1963 boundaries. It can take tideland, but it cannot use its taking powers beyond mean high water line. Landtaking powers for bridge and port facilities (cont., V-3)

required to provide municipal services within the city's borders, regardless of the status of the owner; city building codes and other regulations are inapplicable to MPA-owned properties;* MPA activities (notably those connected with Logan Airport) have damaging effects on city-owned properties; and planning and land development activities are made more difficult by the presence of an autonomous agency, which has many powers of government within the city's borders.**

The tax exemption issue, and the related question of public services, is perhaps the source of most conflict. Assessed value of the MPA's property within the City of Boston is over \$140 million (1968),*** but City officials we interviewed state that the Authority's property is "vastly under-assessed." The Authority is one of the largest single owners of tax-exempt property in Boston. Basically, this property can be divided into two categories: that actually used for pier, airport and bridge operations, and that used for ancillary business activities (private transportation terminals,

(cont.) are more extensive. There are also general statutory limits on the Authority's powers to purchase property: such purchases must be "related" to the Authority's operations. The Authority, however, has the right to determine what is "related."

* The MPA is not the only public body authorized to disregard their codes; a 1966 Act permits the Public Facilities Commission to disregard local codes. The MPA maintains that the safety codes it abides by are every bit as good as, if not better than, City codes.

** Chelsea, Winthrop, Bedford and other cities and towns experience, to a lesser degree, similar effects.

*** Colin Diver, Office of the Mayor, City Hall, Boston.

concessions, restaurants and motels, etc.). With regard to the former, the MPA holds that total tax exemption is perfectly justifiable and traditional for public transportation facilities -- these happen to be owned by a state authority, rather than the City, but in any case they would be tax exempt. The City, on the other hand, with over two-fifths of its assessed valuation currently non-taxable (hospitals, churches, educational facilities, etc.) feels that it should not have to bear the burden, through tax forgiveness, of facilities that are used by and benefit the entire metropolitan area and state.

With respect to the other category of properties, some City officials make the following case: these are clearly commercial facilities which would be fully taxed if they were located on land that was not owned by a public agency. Here the MPA, like other public bodies in similar situations, has agreed to a voluntary payment-in-lieu-of-taxes through its lessees which is intended to cover the cost of providing municipal services to these facilities.* The MPA regards this as a fair compromise between responsibility for demands made on the City and Boston's extremely high (and rising) tax rate. The City position is that the voluntary payment is inadequate, considering the City's financial plight, and

* In 1969 lessees of port properties in South Boston (approximately 20 different interests) paid a total of \$862,000 to the City in real estate taxes. No taxes are paid, however, on the commercial activities at Logan Airport because of the tax exemption outlined in Section 17 of the Enabling Act. (Only South Boston properties are required to pay taxes.) Recent (cont.V-5)

that there is no reason why certain users should benefit and the vast majority of citizens pay (in the form of even higher taxes to compensate for the foregone revenue from the MPA properties) simply because the MPA owns the land on which these commercial uses are situated.* As the MPA (like its counterpart in New York, which is currently engaged in building two 110-story office towers) becomes a large-scale developer, as evident in its South Station Trade Center development, this consideration becomes increasingly important. Legislation introduced by Mayor White in November of 1969 would remove tax exemption from all MPA lands being used for ancillary business activities, but it is not given much chance of passage.

The issue of taxes is closely related to that of municipal services, and, if anything, even more controversy rages over this issue. In brief, the MPA does provide a good deal of traditional municipal services itself (street lighting and paving, snow removal, street cleaning, fire and police protection, etc.) with its own revenues and employees, although it tends to underestimate the amount of services the City still must provide (particularly in the port area;

(cont.) properties purchased in East Boston for future airport expansion continue to pay taxes until they are destroyed.

- * Since the property tax is inherently regressive (i.e., takes a far larger relative bite out of lower-income taxpayers than upper income taxpayers), anything that tends to raise the property tax rate must be carefully scrutinized on the grounds of social inequity.

MPA's own services are concentrated at Logan). The City, for its part, tends to minimize the MPA's own efforts and exaggerates, often for political purposes, the burden that the MPA places on City forces. The MPA polices Logan entirely with its own detachment of State Police (paid for from MPA funds), and it has fire equipment of its own which can handle most of the conflagrations and emergencies on its property. On occasions the City must send equipment to Logan, while on less frequent occasions Logan's special equipment is sent out to help control certain types of fires, in particular fuel fires. Indignation, charges and figures fly through the air, but little has been done to resolve the issue. It would appear that the MPA does use more City services than it pays for (quite apart from the issue of how one calculates the cost of these services: should the MPA pay for just the cost of each trip by the Boston Fire Department, for example, or should it share the capital and overhead costs involved in having this equipment available to call upon when needed?)*. It seems likely that the City is bearing a financial burden in providing services to Port Authority properties, although the exact amount of the deficit is difficult to calculate.

* A clear example of this problem is the City's pending purchase of a fireboat, primarily to serve MPA port properties; the Authority has thus far refused to pay for all or part of this equipment.

The Fire Department alone, with an annual budget of \$22 million, estimated that it provides \$1 million worth of services to the MPA and receives only \$150,000 as its share of the MPA's payments-in-lieu-of taxes to the City, although most independent observers consider this an exaggerated claim. The more important issue is the extent to which essential City services like schools and welfare ought to be paid for by taxes on MPA property. The Authority says that it is prepared to negotiate with the City at any time, but that it ought not to pay for services it does not use. The City claims that municipal services as a whole are a burden that must be shared by all who own assessed land, regardless of whether an individual owner uses a particular service. The issue clearly has considerable symbolic significance, as well as substantial financial importance. Another bill submitted by Mayor White would require the MPA to pay for all services rendered by municipal agencies, at rates determined by these agencies, but this too is not likely to pass.

Another form of damage that occurs in Boston, and other nearby cities and towns, due to MPA activities, is that caused by noise and vibrations.* The City is currently

* A consultants' study recently completed for the Federal Dept. of Transportation and Dept. of Housing and Urban Development shows that "the number of subsonic turbine aircraft operations at Logan will triple between 1967 and 1975, from 90,000 per year to 280,000 per year;" that "if no abatement procedures are implemented, the land area within the NEF 30 contour can be expected to increase from 25 square (cont. V-8)

preparing a damage suit against the MPA to pay for sound-proofing several schools in East Boston, which, it maintains, have lost considerable value as educational institutions because of the noise of planes taking off and landing at Logan. A recent study shows that noise levels in 11 of East Boston's 15 schools are substantially beyond maximum acceptable levels. This is a new route the City is using to attempt to receive some kind of compensation from the MPA for its damaging effects on the

(cont.) miles in 1967 to 80 square miles in 1975. In 1967, 177,000 people lived within the 25 square mile area, and it is forecast that in 1975, 556,000 people will be living within the 80 square mile area." (A NEF -- Noise Exposure Forecast -- contour is an index of subjective response to aircraft noise, with added consideration given to frequency of occurrence, time of day, and aircraft track and profile. Beyond NEF 30 contours, there are definitive and distinct adverse effects from aircraft noise. In NEF contours between 30 and 40 "new single dwelling construction should generally be avoided;" for apartment construction "needed noise control features should be included in the building design;" and schools, hospitals and churches are considered incompatible land uses. Within NEF contours greater than 40, residential land use is considered totally incompatible.) If no abatement procedures are implemented, the area within the NEF 40 contour can be expected to increase from 5 1/2 square miles, and 30,000 people, in 1967 to 13 square miles, and 76,000 people, in 1975. Also, absent such abatement procedures, the number of schools within the NEF 30 contour will increase from 93 in 1967 to approximately 272 in 1975, and for the NEF 40 contour area the figures will rise from 7 to 46. With respect to hospitals, the increase between these two years will be, for the NEF 30 contour, from 5 hospitals (1391 beds) to 12 hospitals (3158 beds). See Peter A. Franken and David Standley, Aircraft Noise and Airport Neighbors: A Study of Logan International Airport (Cambridge: Bolt, Beranek and Newman, Inc., March, 1970). [In order to acquire a copy of this report, the City had to bring suit against the Federal government.]

City.* This is not the first time the MPA and the City have tangled in courts: the controversy over who had rights to Neptune Road in East Boston (see Appendix) also resulted in litigation.

Another form of conflict with a public agency involves the Bureau of Relocation in the State Department of Community Affairs. Legislation creating the new Bureau was passed in 1965 and amended in 1968; the purpose of the new Bureau is to insure decent relocation housing to families displaced by public action and to coordinate relocation plans of the multitude of public agencies involved in such takings and land acquisitions. The MPA had formerly adopted the position that it was not subject to the provisions of this law. (The wording of the statute is not completely clear on this, although the legislative intent is.) Recently their legal counsel indicated that the MPA does fall under the law's provisions and is therefore subject to all its requirements and sanctions (albeit not

* The City has also filed legislation requiring the MPA to pay damages for injury to private citizens and public institutions attributable to airport noise. (A precedent for this kind of municipal litigation exists in Englewood, California, and a group of private citizens recently won damage judgment in California.)

retroactively).^{*} The real matter of concern is the question of whether properties acquired by the MPA, not by eminent domain but by open market purchase, outside the agency's area required for immediate expansion should be covered by the law. While these are voluntary sales (often made under stress, caused by the Authority, as discussed above), the tenants of these properties, which usually are multi-family, are not voluntary movers, and the Bureau feels these persons are entitled to protection under the law. The Relocation Bureau is still waiting for a test case to clarify the issue. But what is clear is that the MPA will cooperate with certain public policies laid down by other public bodies and clearly intended to protect the interests of the powerless only if forced to do so.

Relations between the MPA and at least some other public agencies are not much better. The Boston Redevelopment Authority and the MPA are often at "swords' points" -- as illustrated in the controversy over the Schiavone property in Charlestown and in differences over approaches with regard to planning for the Leverett Circle Bridge and the Neptune Road controversy. One BRA staff member who has had considerable contact with the MPA characterized relations between the two agencies as "strained politeness"

^{*} It is interesting to note that both the Authority's Executive Director and Secretary-Treasurer stated in interviews that they had never heard of the State Bureau of Relocation.

when not "outright fights." For its part, the MPA seems to regard the BRA as basically "planners" (a term of no little derision in some circles) while the MPA characterizes itself as "an action agency" -- and this inevitably leads to conflict. Clearly, conflict is inevitable when one major bureaucracy is charged with planning for the physical and social development of the City (and on occasions implementing these plans), while another agency, over which it has no control, can plan and act contrary to or independent of the overall plan. The two agencies have also worked together cooperatively in the past, as in the case of the South Station development. Two of Mayor White's other bills submitted to the General Court attempt to control this situation by requiring that the MPA file annual, updated plans of present and future activities with the planning board of any city or town where these activities occur and that the mayor of an area where the MPA plans to acquire real estate can veto any future acquisition. Bills of this type would severely hamper MPA's present freedom of operation, and, given the nature of its relations with the General Court, it is highly doubtful whether they will pass.

As suggested above, a substantial amount of legislation is filed in the General Court each year regarding the MPA. It is difficult to discern how much of it is actually based on adequate research and widespread public sentiment and which bills are merely submitted to advance

the sponsor's political future. For the most part, the MPA ignores legislation that is introduced to limit its powers because it realizes such bills will have very little political support. Rather than acknowledge the problems that underlie such legislative proposals, they tend to write off local politicians as being too "provincial" in their outlook or merely appealing for more votes from their constituencies. The vast majority of bills are introduced by senators and representatives from the Boston area. The general image in the Legislature, encouraged by the MPA lobbyists, is that such bills are "special interest" bills and do not merit much general support. The MPA realizes that the vast majority of the Commonwealth is perfectly content with or indifferent to the way MPA operates as long as taxes are not affected. It is really only the handful of cities and towns around Boston -- those affected by the expansion of Logan, noise, air and water pollution, the decay of the port, traffic congestion, high taxes -- that are making themselves heard in the General Court.

In the current Legislative session over 200 bills were introduced that directly relate to the Massachusetts Port Authority, including 162 filed by the East Boston Neighborhood Council, but it appears that only a few have any chance of passing. Listed below are a representative cross-section of bills introduced during 1969, offered principally in order to give some sense of the kinds

of concerns expressed in the legislative process:

S. 408 (Umana, Buttiglieri and DiLorenzo) To prohibit aircraft from warming up at Logan between midnight and 8:00 a.m.

S. 410 (same) To direct the Airport Management Board to provide sound barriers around all new hangars and other installations at Logan.

S. 412 (same) To establish an MPA advisory board.

H. 2865 (Grillo) To require MPA to sell a parcel of land in East Boston to the City of Boston for use as a recreation area.

S. 1037 (Umana, Buttiglieri and DiLorenzo) To allow the Governor to appoint the Executive Director of MPA.

S. 393 (same) To provide for five additional members of MPA.

H. 2607 (Melia) To make the terms of members of the MPA and MTA (Massachusetts Turnpike Authority) conterminous with that of the Governor.

H. 2871 (Dukakis) To transfer the Tobin Memorial Bridge from the MPA to MBTA.

H. 2896 (Ahearn and Danovitch) That the MPA be prohibited from acquiring or expanding any airport facilities in the town of Norwood.

H. 939 (Slater) That the MPA pay Chelsea a certain sum as reimbursement for loss of real estate tax income due from land taking for the construction of Mystic Bridge.

S. 1094 (Cawley) To set up a special commission to study the operations of the MPA and the port of Boston as they affect the economic activity of the Commonwealth.

H. 3354 (Sacco) To prohibit the collection of tolls by the MTA and MPA for vehicles in procession bearing the remains of deceased veterans.

In sum, the main channel that the MPA's enabling legislation leaves open for reforming the Authority is blocked by the majority of the General Court that is not concerned with MPA unless it affects their constituency directly.*

* An additional factor that has been mentioned to us, as an explanation of the failure of the General Court to exert control over the MPA, is the patronage opportunities associated with the Authority's vast operations: jobs, performance, bonds, etc. Many persons familiar with the Legislature and the operation of various public agencies are convinced that an influence nexus -- by no means unknown at other levels of government and in other parts of the country -- exists, which adulterates the theoretical independence of the legislative and administrative functions.

VI. CONCLUSIONS

The picture we have presented in this report is a complex one, with no clear "villains" or "heroes," and certainly no easy remedies. By many criteria the Massachusetts Port Authority has done an efficient and creditable job in operating its facilities -- although the economic health of the port might have been improved if as high a priority had been placed on shipping as on air travel. We have shown that many (but not all) of the conflicts in which the MPA has been embroiled are due not to improper behavior but rather are attributable to the Authority's single-minded pursuit of the "job it was established to do." As we have seen, this job, because it is so narrowly conceived, is bound to cause disputes or damage and raise questions about how well the public interest is being served. The main source of the MPA's failure is found, therefore, not in the people who run the Authority, nor even in the details of how it operates. Rather, the source can be found both in the concepts that underlay the Authority's initial establishment and which continue to guide its operations and in its fundamental structural makeup -- political, financial, and administrative.

To summarize, what we have found to be the principal problem areas with respect to the Port Authority's

operations are:

- Overriding emphasis on efficiency and profit-making with respect to the facilities it was given to operate, which leads MPA management to function more like a private corporation than a public-regarding agency of government;

- Insufficient attention paid to port development, compared with other MPA facilities and projects;

- Failure to integrate transportation planning and operation of facilities for the movement of goods and people within a broader region-wide approach;

- Lack of coordination of MPA land development plans and activities with those of other agencies, particularly in the City of Boston;

- Imposition of tax burdens on the cities and towns in which MPA's tax-exempt facilities are located, which ought to be borne by users or on a wider geographical basis.

- Insufficient external direction provided by outside bodies, together with a "closed system" style of internal operation;

- Insufficient recognition of and responsibility for the costs of air and noise pollution within the metropolitan area which the operation of Logan Airport imposes on a wide swath of cities and towns that are encompassed in aircraft flight patterns;

- Slow but certain encroachment upon, and damage to, the East Boston neighborhoods immediately surrounding the airport.

Most of the problems we have described can be traced to the fundamental nature of the agency, as a financially independent body, supported not by public tax revenues but by its own internal financial strength and its ability to raise its own capital through bond issues, backed by the revenue-producing capacity of its own facilities. Substituting user charges for general tax revenues assumedly provides a more democratic, economical and just financial base. Yet user charges, as we have seen, are often regressive, imposing higher proportional costs on lower-income people to subsidize facilities used primarily by people of higher income. This apparent self-sustaining character and freedom from government assistance is frequently used as justification for not interfering with MPA's operations, particularly when the facilities are for the most part run well and show a profit.

But it is important to note that the basis of the feasibility of the MPA is its public nature. The creation of the Authority in 1956 involved transfer of over \$200 million worth of facilities, for which only \$43.7 million was paid.* And included in this package was the Mystic River Bridge, with net revenues of about \$3 million per year. The Authority was also given the power needed

* See Minority Report in H2575. The then current value of Logan Airport was given as \$75 million, for which \$18 million was to be paid by the new Authority as compensation; the Mystic River Bridge was valued at \$30 million with compensation set at \$25.7 million; and no compensation was to be paid for Hanscom Field, valued at \$20 million, and the Boston Port Authority properties, valued at \$100 million.

to float tax-free bonds, exemption from property taxation, and the ability to receive federal grants. These all represent a solid foundation of public powers and resources for an enterprise set up to operate without additional recourse to the taxpayers dollars in the annual appropriations scramble.

Integral to the operation of independent authorities like the MPA and tied to this overall reliance on user charges is the use of revenue bond financing. A new "public," the bondholders, emerges, to which the Authority is supremely responsible. As our study has shown, the Authority's primary obligation, legal and otherwise, is to make a sufficient amount of profit to repay bonds and insure investor confidence in the issuance of new bonds. This in turn influences policies about developing new facilities and about how facilities are run. For example, if comprehensive transportation planning suggested a policy to manipulate Tobin Bridge toll charges as a device for controlling the amount and timing of traffic flow (with overall benefits to commuters, but lower net toll revenues), this presumably would be opposed by the MPA because it would undermine the agency's own fiscal well-being.

The principal direction originally given to the MPA, when it was established, was that it should relieve the financial burden of the taxpaying public and run its facilities well. Since that original legislative action in the mid-1950's, there has been virtually no overall direction

given to the MPA by the General Court, nor indeed by any other body. The MPA's independence and self-centered operating style are an inevitable by-product. It appears that even the MPA Board members, although appointed by the Governor, do not conceive of themselves as having a broader function of relating the agency's operations to wider considerations of public policy, nor of evaluating Authority performance in a dispassionate way.

What is clearly needed at this point in time is a way of relating the MPA to a broader set of policy guidelines with respect to economic development, the use of public moneys (bond revenues as well as user charges on public facilities) and a comprehensive plan for the movement of goods and persons in the Boston and entire New England region. Possible sources for such direction might be: the Governor; the General Court; the recently established Governor's Advisory Council on Transportation; the Executive Office of Transportation and Construction (currently scheduled to come into existence in April, 1971 as a result of the Reorganization Act of 1969); or the Metropolitan Council of Regional Governments, which was proposed earlier this year.

Most of these possibilities do not strike us as particularly promising. The Metropolitan Council of Regional Governments realistically can be termed no more than an idea at this point, although potentially a highly useful one, in the transportation field as well as in other areas. The Governor's Advisory Council on Transportation is no

more than a body established to facilitate communication among the several public agencies in the transportation field, which may lead to greater coordination, but has no specific mandate or power to enforce integrated planning and operation in this area.* (It is furthermore an ad hoc body which can easily be ignored or disbanded by any future governor.)

The General Court appears unable to provide this direction to the Port Authority. The majority of legislators come from areas that are only indirectly affected by MPA operations and are willing to let the agency have its way so long as it does not make any claim on tax revenues.** The multitude of bills submitted each year to the General Court are rarely taken seriously by the legislators, in

* The Governor's Advisory Council on Transportation was established by Governor Volpe in March of 1968. The Council includes representatives of the MBTA, the Massachusetts Turnpike Authority, MPA, the State Department of Administration and Finance, the Boston Traffic Commission, the State Department of Public Works, the State Department of Commerce and Development, the Massachusetts Aeronautics Commission, MDC, and (following a recent executive order by Governor Sargent) the State Department of Community Affairs and the Metropolitan Area Planning Council. The group meets monthly, together with representatives of the Governor's office, under a rotating chairmanship. The Committee probably will be phased out when the new Executive Office of Transportation and Construction comes into being.

** The MPA's insistence that it does not need or desire direct state or city financial assistance for its operations, of the type that exists in several other states, may in part be attributable to the desire to remain free from legislative oversight.

large part because they have relatively narrow backing and because they are not seen as -- and in fact are not -- part of an overall public policy toward the MPA, which is something the General Court does not feel it can or wants to provide. Legislative control of the MPA, in the form of specific bills altering the way the agency operates, might be possible, but only if these individual pieces were seen as part of a larger strategy and came to the General Court with the backing of a public body with a broad perspective.

The soon-to-be-formed Executive Office of Transportation and Construction, modelled after the new Federal Department of Transportation, will be headed by a Transportation Secretary directly responsible to the Governor, and will combine the Massachusetts Aeronautics Commission, the MBTA, MTA, MPA, and most divisions of the DPW. The act establishing the new Office represents a most gingerly step forward under the terms of the present legislation. It creates a few new supervisory positions (a Commissioner of Administration, an Office Secretary, etc.) which will help to make the Governor more aware of what the several agencies are planning, but bars the door to any meaningful limitation on the independence of these various bodies, by providing, in Sec. 19, that:

Nothing in this chapter shall be construed as conferring any powers or imposing any duties upon the secretary with respect to the foregoing agencies and authorities except as expressly provided by law.

In concept, this new body is what is needed for the Commonwealth,

but it will have to have a far stronger basic mandate than exists under present legislation.

What is clearly needed is some way of institutionalizing a permanent and powerful body to oversee and integrate the various departments, authorities and commissions that operate in the transportation field. We would recommend this be done by amending legislation creating the Executive Office of Transportation and Construction. Major decisions, such as floating new bond issues, developing new facilities,* trade-offs between different modes of transportation, and use of the excess revenues from public facilities,** ought to be made by this

* For example, the Port of New York Authority was forced, as a condition for enacting legislation permitting the PNYA to build the new \$600 million World Trade Center, to accept ownership, rehabilitation and operation of the "Hudson Tubes." This mass-transit link between New Jersey and New York had been losing \$6-10 million annually. The PNYA was thus forced to take on a public function as a condition of undertaking the more lucrative development activity; the profits from the Trade Center will offset, and exceed by far, the deficits of the mass transit, thus putting the acknowledged efficiency of the PNYA to work in improving the operation of public transit in the City.

** For example, it has been suggested that the Port of New York Authority, by doubling present tolls on bridges and tunnels, would realize an additional revenue of \$70 million, which could support, without affecting existing obligations, an additional bonding capacity of \$2 billion -- a sum that would go a long way toward solving the city's mass transit needs. See Theodore G. Kheel, "How the Port Authority is Strangling New York," New York, Nov. 17, 1969, p. 45 ff.

larger body. The MPA ought to exist to implement in the most efficient way possible decisions made by this superior public body and continue to carry out the operational functions now assigned to it.

The governing board of the MPA must also begin to reflect awareness of the agency's major problems, as outlined in this report. It is encouraging that an East Boston resident has finally been appointed to the Authority board, and we trust this will be a permanent "seat," which can give the immediately surrounding communities a degree of real influence over the agency and serve to increase the Authority's general sensitivity and responsiveness to its immediate neighbors. Future appointments to the board must include men and women with a knowledge of and predilection toward comprehensive transportation planning, who are oriented more toward general concepts of the public interest than toward narrower notions of loyalty to a single public agency.

By far the single most important source of change in and control over the MPA is the Governor. Through his appointments to the MPA board,* through his power to initiate

* During his 16 months in office, Governor Sargent has already appointed the MPA Chairman and two board members, with another appointment due in June of 1970. This is an unusual degree of control to have exerted so early after taking office, but it does illustrate the critical role played by a governor with respect to the MPA.

and secure passage of critical reorganization legislation (such as that which resulted in the establishment of the Executive Office of Transportation and Construction); and through effective control by the Governor's office, via the Office of Planning and Program Coordination located in the Department of Administration and Finance, of all applications for Federal funds, without which most major MPA projects are not possible, the Governor has a considerable degree of power over the MPA. It is clear that the MPA has up to now seen itself as an advocate for the needs of the Authority rather than as an agent of the public interest, set up to exercise policy control over the agency. Only the Governor's office has the opportunity both to assert the leadership needed for guiding transportation policy and for restructuring the MPA's priorities.*

In addition to long-run policy considerations, there are needed a set of short-run changes to control the agency and make it more accountable to the public: replacement

* The establishment of the Governor's Task Force on Transportation , headed by Prof. Alan Altshuler of the MIT Political Science Department, is an illustration of both the need for integrated transportation planning and the concern at the highest levels of state government and among the general public to bring some order to the present system of fractionated action and planning on the part of many public agencies. This Task Force is now in the process of planning the structure of a transportation planning process capable of effective policy leadership and open to public participation.

of housing and recreational land it takes or purchases; payment of compensation for the damages caused by noise and vibrations of Logan aircraft; introduction of noise abatement procedures;* assumption of its share of responsibility for overall environmental quality;**coordination of land development activities with other public agencies; payment of an equitable share of local tax burdens. These reforms will only come about with the superimposition of a body above the MPA into which MPA activities must be meshed and through institutionalization of greater public-regarding behavior on the part of the agency itself.

In sum, the time has now come to make the Massachusetts Port Authority, and other quasi-autonomous government agencies, accountable to a broader concept of the public interest. Efficient pursuit of a narrow set of ends is an inadequate approach to the transportation needs of the Boston region.

* Peter A. Franken and David Standley, op cit, V-8.

** For example, local authorities can be effective in bringing pressure to bear upon industry to produce vehicles that are less damaging to the environment (as the State of California did with respect to the auto industry). They can also help to force change in the aviation industry, by requiring quieter jet engines or by restricting airport capacity to reduce competition among airlines, which now fly half-loaded flights rather than using airspace more efficiently, which might increase air safety and reduce air fares.

APPENDIX

THE NEPTUNE ROAD CONTROVERSY:
A CASE STUDY OF MPA OPERATIONS

APPENDIX - PREFACE

We have attached as an appendix a segment of an undergraduate thesis written by a Harvard student on the Neptune Road conflict involving the MPA, some of its East Boston neighbors and the City of Boston. The Neptune Road area residents have been involved in a continuous fight with the MPA since the MPA first acted to extend runway 15-33 2000 feet towards the community. This extension affects the immediate neighborhood in several ways:

- a) It involved the destruction of Wood Island Park, a major recreational facility of over 20 acres.
- b) It eventually involved the demolition of 3 houses, and 700 feet of a city street (Neptune Road).
- c) As a result of the extension toward the community, landing aircraft now pass closer to the roofs of the houses, causing even greater noise and creating considerable fear in the local residents.

The residents basically argue that the runway could have been extended toward the ocean, in the opposite direction. (It is interesting that the residents did not adopt the more extreme position of opposition to any lengthening of the runway.) The MPA, using technical expertise to justify its position and legal and political power to win the point, leveled the park and extended the runway. The case study focuses on the last phase of the project, after the park was leveled and the runway extended, when the MPA sought to acquire Neptune Road from the City of Boston as the last phase of the project. In response to citizen pressure, the new city administration reviewed the runway lengthening question, sought technical advice and decided to refuse to give up Neptune Road, on the basis that the additional acquisition of Neptune Road was not necessary to the safe functioning of the runway, but that it was important as a buffer between the residents of the area and the airport. The MPA pressed the issue, took the road by eminent domain and won a legal judgment over the City which was based on its superior legal powers.

The case is interesting in that the opposition of the City of Boston to this phase of the project, based on its own independent technical advice, resulted in a neutralization of the heavy technological justifications of the MPA, and the resolution of the problem clearly on the basis of the superior political and legal strength of the Authority vis a vis the City. Subsequent events have shown that the entire expansion could have extended the runway toward the ocean and avoided the taking of the Wood Island Park, as the community had always maintained.

The interesting question is why did the MPA refuse to yield to any of the community positions if this would apparently have been feasible without sacrificing the basic Authority objective of a 10,000 foot runway? Community advocates have maintained that real estate acquisition motives motivated the MPA. They cite as evidence the fact that MPA Executive Director King admitted in February, 1969 that the Authority wanted all the land in the area up to the MBTA tracks (which had been denied by MPA representatives at a public hearing in August, 1968), and that the purpose in extending the runway toward the community was to "harass" the residents into selling so that MPA could use the land for cargo facilities. Another explanation which has been offered is that the MPA feels that any accommodation of community interests would be viewed as a sign of weakness and invite a disaster of "community control" upon the airport. This view holds that the MPA simply feels it must maintain all its legal rights to the utmost, to impress all potential troublemakers with its strength, and offers as evidence the vigorous defense of property rights against MBTA in a recent lawsuit, or the practice of fencing and marking MPA property.

There may be elements of truth in both these views. It is clear from the reaction of Port Authority officials that they do not believe the interests of the airport's neighbors are significant in the overall scheme of things, and they certainly do not view consideration of that point of view as a part of their job. The conclusion we feel can clearly be drawn is that if the airport's neighbors are to be regarded as one of the "publics" to be considered in MPA actions, an external mechanism must be devised to force this point of view into the decisions of the Authority. The MPA at present simply does not conceive of this aspect as a part of their job.

APPENDIX: THE NEPTUNE ROAD CONTROVERSY
A CASE-STUDY OF MPA OPERATIONS*

On June 12, 1959, the Massachusetts Port Authority filed a master plan for the development of Logan Airport, as required by its state enabling legislation. A major objective of the new airport management implicit in this plan and the enabling act was the expansion of Logan into a major international facility ultimately capable of handling the most advanced supersonic transport aircraft, and of competing with the increasingly congested New York airports as the gateway to the East Coast.

A major step in this direction, according to the 1959 master plan, was the extension of runway 15-33 to a length of 10,000 feet. This action would give Logan two 10,000-foot runways equipped with Instrument Landing System (ILS) equipment necessary to permit landings in inclement weather. The capacity of Logan would thereby be greatly increased. (1)

To finance this airport improvement, federal grant-in-aid assistance was essential. Under the Federal-Aid Airport Program (FAAP), the United States provided grants to public-owned airports for improvements considered necessary to provide a "system of public airports adequate to anticipate and meet the need of civil aeronautics.(1a) In order to receive federal monetary aid for airport development, however, the MPA was required to adhere to FAA "policies, requirements, and procedures," specifically those "standards governing air safety and airport approaches." (2) Federal regulations governing ILS systems required a "localizer," a device (installed in a position determined by the FAA) which transmits electronic signals to provide the pilot with necessary course guidance to the runway centerline. The "localizer" transmitter must be located beyond the runway, usually 1000 feet beyond, and at the same height and at the centerline. Furthermore, federal regulations governing approaches require a "clear zone" beyond the runway, an area free of obstructions. In the case of the 15-33 extension, the MPA proposed a "clear zone" extending approximately 2000-feet into Wood Island Park (then a wooded area). Thus, if MPA plans for runway 15-33 were to be implemented in strict accordance with federal "standards," a sizeable portion of Neptune Road would have to be acquired from the City of Boston and its East Boston residents. (3)

* This is an edited version of Chapter II of "The Massachusetts Port Authority and the Neighboring Community: A Study in Political Interaction," a thesis presented by Charles J. Friedman to the Dept. of Government, Harvard University, March 1970.

Community Opinion Re Runway Extension Plan: Community opposition to the runway improvement project had developed at an early stage of the planning process. Residents of the neighborhoods abutting the airport feared the increased noise and danger levels, traffic congestion, and land needs that would be generated by Logan expansion.

Despite the disorganized and somewhat muted nature of these early community protests, the sensitivity of Logan airport operators before 1956 to political pressures produced a reluctance to arouse public anger over the expansion proposals. The result was that plans for the extension of runway 15-33 never left the drawing board.

Unlike the State Airport Management Board, the autonomous Massachusetts Port Authority was not threatened by political reprisal at the polls from an aroused public. Soon after taking over Logan in 1959, therefore, the MPA revived plans for the runway extension and revised them to meet federal "air safety" regulations and grant-in-aid restrictions.

Before it could acquire the necessary land for the proposed runway lengthening, the MPA needed: (1) positive financial and technical assistance from the FAA; (2) gubernatorial and legislative acquiescence for its plans; and (3) judicial approval for its actions. In evolving this chiefly political strategy, the MPA at most went no further than to consult the abutting community residents and local governmental bodies.

1963 Grant Agreement and Eminent Domain Takings: In 1960, the Port Authority applied for approval from the Federal Aviation Administration for its plans for the 15-33 runway extension. The FAA approved the plans in October, 1960. In June, 1963, the MPA and the federal government signed a binding "grant agreement." According to this contract, the federal government would provide assistance, of one-half of the cost, for the "improvement and development of Logan," including funds for the clearing of Wood Island Park and the purchase of private property for protection of the necessary approaches ("clear zones") as required by FAA standards. (4)

Assured of federal financial backing, the MPA moved to acquire the necessary real estate for the initial stage of its 15-33 extension program. On August 8, 1963, the MPA announced that it was acquiring by eminent domain three private residences, housing eight families, on Neptune Road, that it claimed lay in the path of the proposed approach. This "order of taking" was fought bitterly in the courts by the affected families. The case was Loschi vs. Mass. Port Authority. Although their struggle eventually failed, the eight

families succeeded in putting off eviction for over five years, and thus held up construction work on the runway extension. (5)

While the MPA waited for the courts to uphold its taking of the three homes at the eastern end of Neptune Road, it proceeded during the winter of 1965-66 with another aspect of its extension plans contained in the 1963 Grant Agreement. The Authority fenced off the easternmost end of Neptune Road, cleared trees and other buildings in Wood Island Park, and brought down the grade of the old park to the level of the 15-33 pavement. This action left the other end of Neptune Road still seventeen feet above the runway grade. Considerable controversy developed over the necessity of destroying the park, and the community insisted that a sea-ward extension would be a feasible alternative, but the MPA used its legal and political power to override these objections.

Legislative Authorization: At the end of 1966, the MPA initiated another phase of its expansion of Logan into East Boston and Neptune Road. The Authority attempted to gain specific legislative authorization for the extension of 15-33 in the direction of Neptune Road. A bill changing the Boston Harbor line to permit the MPA to expand over the Harbor toward Neptune Road was submitted to the General Court.

In order to facilitate passage of the bill, Governor Volpe, a firm supporter of MPA's expansion plans for Logan, made a special message to an extra session of the state legislature on December 5, 1966. In this address, Volpe stressed the importance of over two million dollars in federal funds to both Logan development and the economy of Massachusetts. His chief goal was the continued extension of Logan into Boston in the interest of "improved service" to airport users and increased capacity for Logan. (6) In his message, Volpe assured the legislators that the MPA had promised to replace the houses and recreational facilities of Wood Island Park, but made no mention of the aggravation of noise problems which would result, or the possibility of alternate methods of achieving the expansion. Volpe's speech supplemented the activities of MPA's three professional lobbyists in the General Court, who proved equally persuasive.

With little reason to oppose the bill, since the end result would affect only residents of East Boston and neighboring communities, the state legislature enacted into law, on December 28, 1966, the Harbor Line Bill (Chap. 733, 1966). This cleared the way for a 2127-foot extension of runway 15-33 across the harbor in the direction of the easterly end of Neptune Road.

Passage of this legislative authorization served to assure the Authority of continued firm support of its plans from the Governor and Legislature.

Second Grant Agreement With FAA: The Port Authority made a formal "project application" on February 16, 1967, to the FAA for federal aid to pay for the extension of 15-33. This application led to a grant offer from the FAA two months later, with the formal and binding agreement between the two parties being concluded on April 20, 1967.

By mid-1967, therefore, the MPA had gained both legislative and gubernatorial approval as well as federal financial aid for the proposed runway extension.

On June 24, 1967, the Suffolk County Superior Court decided in Loschi vs. Mass. Port Authority in favor of the MPA's 1963 seizure of residential property on Neptune Road. (7) (This finding was to be upheld by the Massachusetts Supreme Judicial Court on March 11, 1968, and by the U.S. Supreme Court on October 14, 1968.) The court decision cleared the way for the Authority to begin preliminary work on the 2127-foot extension.

By January, 1968, over \$5,000,000 (including FAAP funds) had been invested in clearing and regrading Wood Island Park, in the extension of the runway itself, and in other related work. (8)

Community Opinion: Throughout the 1950's and much of the 1960's, the East Boston community attempted to organize into a unified pressure bloc with coherent goals and sufficient resources to challenge MPA decisions. Organized opposition to the Port Authority's continued expansion reflected the community's faith in the existing governmental system, as it took the form of court, not political, battles. Although there was no politically effective community organization, negative undercurrents of feeling about Logan expansion included: a) the fear of losing scarce recreation areas and private homes to the airport, b) anger and apprehension at increasing noise and air pollution levels and at traffic congestion, etc. The prevalent feeling in East Boston was one of helplessness and hostility toward the MPA.

MPA and City: With little organized opposition and with the support of the federal government, the state government and the courts, the Authority entered into the final phase of its runway extension program. On June 18, 1968, the Authority sought the approval of the City of Boston's Public Improvement Commission (PIC) for closing 700 feet of Neptune Road that MPA needed to meet FAA safety regulations. (9)

This 700-foot portion of Neptune Road was the only land that it still needed to complete its 10,000-foot runway.

The immediate effect of the MPA petition was to encourage the City to involve itself in the growing controversy over Neptune Road. This City involvement was in sharp contrast to the previous phases of the 15-33 extension struggle, when a City administration reluctant to choose sides had allowed the community, disorganized and lacking sufficient financial and technical resources, to fight alone.

PIC Hearings: The Public Improvement Commission held public hearings on the MPA petition in July and August of 1968, which were chaired by the Commissioner of Department of Public Works, Joseph Casazza. (10) At these hearings, the issue of Port Authority expansion of Logan Airport again came under public discussion. Arguments against MPA priorities and policies were aired together with the usual favorable assertions of the proponents of continuous airport development. Moreover, the political alignments in this conflict over Neptune Road became more apparent, as all groups directly concerned with MPA and 15-33 were increasingly forced to make their sympathies a matter of public record. Thus, the PIC hearings depicted the gradual formation and subsequent hardening of the alliances both for and against the runway extension.

On the Port Authority side, the coalition of interests was shaping up between the federal government (FAA, the Dept. of Transportation), the state government (Governor Volpe, General Court), airlines and other "users," as well as the implicit backing of the MPA bondholders. Extremely important were the experts and independent consultants employed by the MPA to solidify its arguments. On the side of the community, however, little support was developing, although the City of Boston showed signs of providing assistance.

We will now examine briefly the issues between the MPA and the "community" (defined as residents of the neighborhoods directly adjacent to Logan Airport: East Boston, Winthrop, Chelsea, Revere) which were raised in the public hearings held by the City of Boston's Public Improvement Commission.

Community Complaints: The East Boston community emphasized the undesirable side effects of the extension of 15-33 on abutters. (11) First, the loss of vital recreational facilities and of scarce open areas and trees were cited as important considerations. Furthermore, according to the community, the extension would bring jets lower over Neptune Road homes, greatly increasing the already unbearable noise levels, disrupting school and businesses in the affected areas, and even

causing permanent physical damage to residents. These low-flying aircraft over heavily-populated residential areas would also increase the "crash hazard potential" (12) with respect to the concentration of oil storage and transport facilities around Logan.

The community also pointed to the Massachusetts Port Authority's exemption from city taxes, zoning and building laws as reasons for denying the MPA petition. Moreover, community spokesmen urged that the PIC could establish a precedent by refusing the petition, thus serving as a warning to the MPA to stop expanding toward East Boston. A city position against the MPA would serve to publicize the MPA land acquisition policies and possibly exert pressure on the MPA to publish a more comprehensive plan acceptable to adjacent communities and local governments.

Finally, the community contended that the PIC could not arrive at a decision on the petition until Loschi vs. MPA case (concerning the ownership of the Neptune Road property) pending before the U.S. Supreme Court would be settled.

Thus, in these rather simplistic arguments, the community touched upon almost all the major points of disagreement between the MPA and **community**: danger, noise pollution, recreation facilities, MPA tax status, MPA expansion policies.

Port Authority Rebuttal: At the PIC hearings, MPA spokesmen based all their assertions on the assumption that airport development per se benefited the entire metropolitan area, including the local community. (13) Thus, for example, continued MPA expansion would contribute to increased employment for neighboring community residents by the over "4000 businesses" involved in Logan-related activities. From this basic assumption, MPA argued that a great deal of federal FAAP funds stood to be lost -- 50% of the cost of the runway extension had been promised by the FAA if the "clear zone and localizer requirements" were properly met. The MPA stressed that federal air safety regulations set by the FAA required the elimination of Neptune Road to provide a "suitable reflective surface for electronic signals" (i.e. for localizer transmitter). The Port Authority also contended that it had the backing of the judiciary, as evidenced by the previous decisions in Loschi vs. MPA. Thus, the MPA felt that the City's PIC should grant it the discontinuance immediately, and thus avoid the possibility that the Authority would acquire the disputed sections of Neptune Road by eminent domain.

Mayor White Steps In: While the City Public Improvement Commission was holding its public hearings and deliberating the matter, Boston's Mayor Kevin White had hired a pair of independent consultants to study the accuracy of MPA and FAA

claims of "air safety, clear zone, and ILS requirements." (14) He contracted Robert Johnson, chief aeronautics engineer for the State of Maine, and Murray Segal of Brookline, a transportation consultant, to undertake this study. Thus, Mayor White had determined that MPA's "technical" arguments could be challenged only by the "technical conclusions" of other "experts." White had apparently decided that before he could take a stand on the Neptune Road issue he needed some "expert advice" to assure himself that he was on reasonable ground from a technical and safety point of view. (15)

The Segal-Johnson Report: Johnson and Segal submitted a preliminary report of their findings to the Mayor in November of 1968. They concluded that the FAA-MPA technical position was weak, and that several technical variations could safely be made concerning the localizer and clear zone. (16) These variations would, they declared, still satisfy federal regulations, without disrupting as severely the residents of Neptune Road and without discontinuing the street.

The Segal-Johnson report raised considerable doubts in the minds of City officials as to the credibility of the FAA and MPA administrators concerning the 15-33 extension plans. According to City officials, the MPA had carefully left the impression that it was required by the FAA to lengthen 15-33 and thus take Neptune Road. However, according to federal regulations, the Port Authority itself is responsible for deciding runway lengths, and noise levels, not the FAA. (17) Thus, city officials regarded MPA statements and actions as an apparent attempt to use "federal air safety standards" as a justification for the taking of Neptune Road.

U.S. Supreme Court Decision: On October 14, 1968, the United States Supreme Court denied a review of Loschi vs. MPA, thereby permanently ending any hopes that had remained to overturn the Port Authority's announced eviction of eight families. Earlier that summer, the Sheriff had proceeded to expel the residents of the three Neptune Road homes with one day's notice, and the buildings were immediately thereafter razed. The court's decision, the speedy MPA eviction action, together with the technical findings of the City's consultants, stirred increased resistance in the community and the City government to continued MPA expansion plans.

December 4th Meeting: Efforts at compromise at a December 4th conference between the FAA, MPA, the City of Boston, and the airlines (18) failed dismally to achieve any changes in position on either side. (19) With discussions at a virtual standstill, and neither side offering to compromise, MPA's Executive Director Edward King tried to persuade the PIC of the technical and safety necessities of locating the localizer for the ILS and landing threshold for the runway according to rules. (20) Moreover King actually wrote Mayor White telling him that Commissioner McGrath was preparing to recommend the granting of the discontinuance. (20a)

PIC Decision: By the end of January, the Public Improvement Commission had reached a decision to let the petition lapse without approving it. In the public press release announcing the decision, Traffic Commissioner McGrath declared that "the preservation of Neptune Road as a public way would occasion no serious safety hazard." (21) The PIC had seized upon the two major Segal-Johnson conclusions: (a) the localizer to guide navigation on 15-33 could be installed on existing airport property in conformity with FAA regulations, and (b) the operating threshold -- the touch-down point -- for aircraft landing over East Boston could safely be displaced 1300 feet to the east. (22)

In informing the Port Authority's Executive Director Edward King of the PIC decision, Mayor White declared his agreement with the decision, and stated the need for a "buffer zone between the airport and East Boston," and invited cooperation and discussion of the matter. (23)

Edward King's response to the Public Improvement Commission and Mayor White was swift. On February 12, 1969, the MPA commenced to take from the City of Boston by eminent domain, for \$53,400, the disputed 700-foot portion of Neptune Road. (24) The legal basis for this land acquisition by one public agency from another public instrumentality rested in the 1956 MPA enabling legislation, and in subsequent interpretations by the courts and by MPA's legal counsel. Thus, according to the enabling act, MPA is authorized to take by eminent domain "any property deemed by it essential for the construction or for the operation of any project." (25) This power was clarified and limited in Chapter 383 (Acts of 1964) to allow eminent domain takings only for the purpose of:

- (a) "protecting the aerial approaches to runways in accordance with applicable federal standards;
- (b) meeting runway clear zone requirements of the federal government;
- (c) meeting other air safety requirements of the federal government;..." (26)

The MPA possessed greater eminent domain powers than that of any local government, or any local agency, such as the Boston Redevelopment Authority. (27)

The MPA decision to exercise its eminent domain powers came as a surprise to both the City and community. However, the Authority, assured of federal and state and judicial backing, saw the embarrassment from the seizure as an unavoidable cost of Logan expansion that must be borne.

FAA-DOT Backing: Throughout March and April of 1969, the

FAA and the Department of Transportation, by this time under former Governor Volpe, reiterated both publicly and privately their full support for the MPA's closing of Neptune Road. This backing was publicly justified by the restrictions of: (1) the April 1967 Grant Agreement and (2) federal air safety regulations. Thus, in response to a previous letter from King, Secretary Volpe promised support for MPA actions as "vital to maximum safety and operational capacity" and to "expeditious traffic flow." (28) Volpe also informed Mayor White of his belief that the 1967 Grant Agreement required the acquisition of Neptune Road. (29) As we have already observed, the validity of both of these contentions had been seriously undermined by the City's consultants.

FAA support for the MPA was apparent not only in its regional and Boston offices, but also in the Washington office in the person of Chester Bowers, Chief of Aviation for the FAA. The pressure from these sources on Mayor White, on Governor Sargent, on various members of the Massachusetts Congressional delegation and others to acquiesce to the MPA-FAA position was unwavering and continuous.

Thus, for example, William Cullinan of the FAA regional office wrote Governor Sargent several times, merely rephrasing the unchanging and already familiar FAA "line" concerning the clear zone and air safety requirements that necessitated the closing of Neptune Road. (30) Most interesting was Cullinan's March 25 letter to Sargent rejecting a list of specific proposals prepared by Boston officials as alternatives to FAA-MPA plans even before he had received them. (31)

Progress versus People: Soon after its February 12 announcement of the Neptune Road taking, MPA Executive Director King held a meeting with the East Boston Legislative Council, the neighborhood's leading spokesman, concerning Logan Airport and the Massachusetts Port Authority. At that February 15 meeting, a variety of issues were discussed: MPA land acquisition policies, airport expansion, eminent domain, Neptune Road and master plans. (32) King plainly stated that his real-estate objectives were confined to a clearly-defined "red-lined" area. (33)

However, having apparently discovered that the MPA was purchasing private real estate on the open market that was located outside the "red-lined area," the community residents questioned King's sincerity at the meeting. This feeling that MPA was deliberately deceiving the community was expressed in a communication to Secretary Volpe from Mimie Pitaro, Monsignor of the Holy Redeemer Parish in East Boston and Chairman of the Legislative Council. (34) In this letter, Pitaro referred to the February 15 meeting in which King had

explicitly stated that MPA land-buying was limited to the Jeffries Point, Neptune Road, Pigeon Cove, and Bayswater areas, and to recent information that he had received exposing the falsehood of that assertion. Pitaro condemned MPA and FAA officials for "putting progress before the people," while criticizing Volpe for arriving at a judgment concerning Neptune Road before any hearings had been held.

Pitaro also expressed community frustration and anger in a telegram to Governor Sargent: "Letter of March 18 requesting meeting still unhonored. Neptune Road issue daily becoming most critical. Immediate meeting urgent. Will call for appointment." (35) This telegram, like previous ones, was disregarded by Sargent.

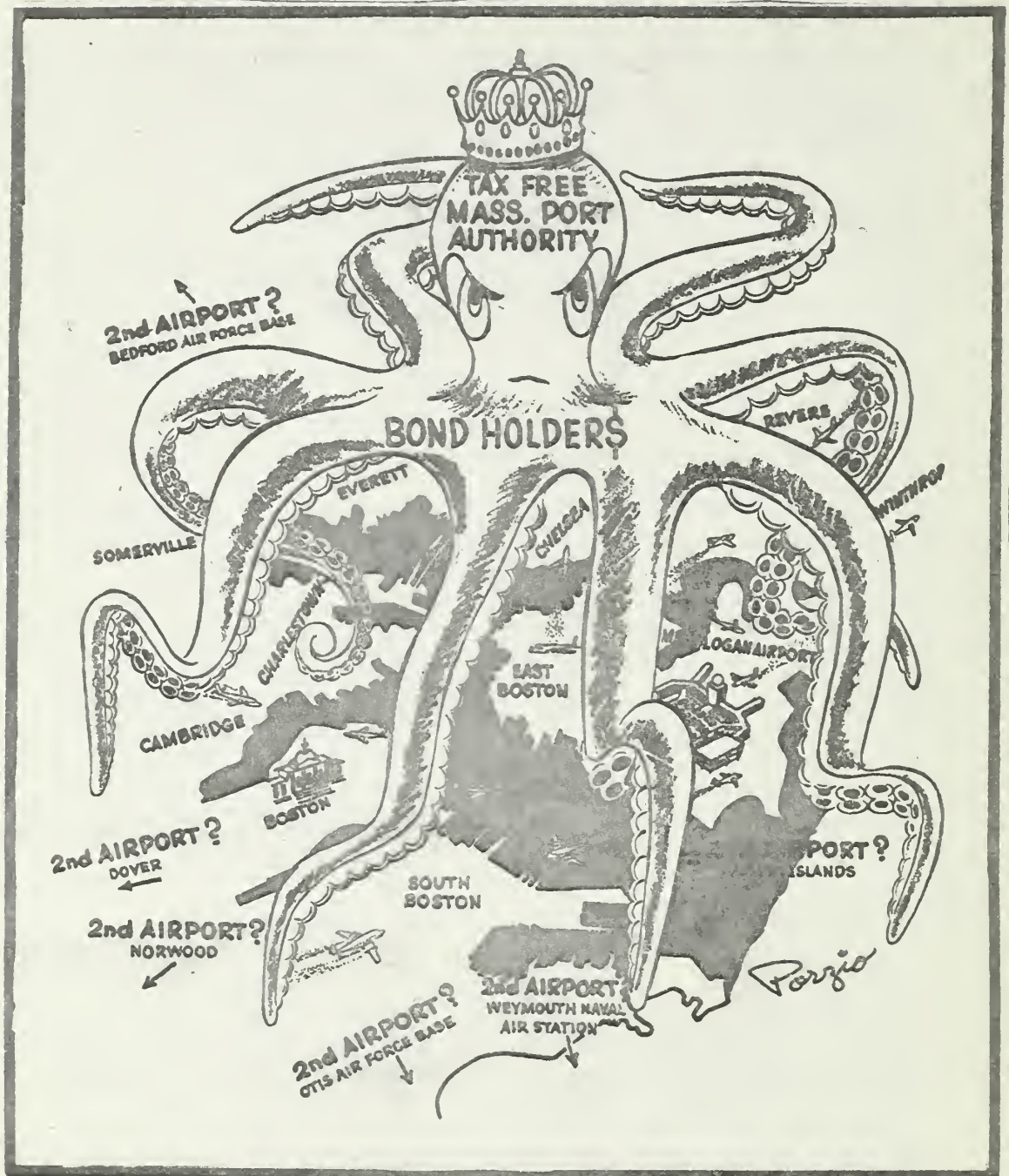
Community feelings were also verbalized in the East Boston Times, the local newspaper, through letters from readers and frequent editorials. (36)

Thus, the community felt strongly that local and Washington FAA officials, Governor Sargent, Secretary Volpe had all displayed "a lack of objectivity," and had prejudged the Neptune Road issue by refusing to consider city-community proposals with an open mind. (37) However, East Boston's vocal opposition to the 15-33 extension achieved few visible results, and served merely to increase the community's distrust of and hostility toward the Port Authority "octopus." (See Figure 1.)

Congressional Reaction: Throughout the period following MPA's taking of 700 feet of Neptune Road by eminent domain, the City of Boston attempted to gain some influence over the MPA, FAA or Governor to modify the 15-33 extension plans. First, Mayor White appealed to the Massachusetts Congressional delegation (Senators Brooke and Kennedy, Representatives McCormack and O'Neill) for help in maintaining Neptune Road as "an important visual and noise buffer for the neighborhood." (38) White cited the Segal-Johnson findings as proving MPA justifications to be false and suggested alternatives to the taking of Neptune Road.

Illustrative of the Congressional response was Representative O'Neill's communication to FAA regional administrator John H. Shaffer: "I am appalled by MPA's arrogant irresponsibility and disregard for the wishes of East Boston and elected officials....the justification of the decision by citation of FAA requirements in 1967 grant agreement is nonsense....the proposed takeover exceeds MPA power...." (39) Although a very strong statement of opposition to MPA takeover of Neptune Road, this letter was typical of Congressional response -- verbal support with little "real" pressure exerted. The MPA's response to communications from the Massachusetts delegation was similar to its response to the community: condescendingly polite.

FIGURE 1.



The March 28th Meeting: These disappointing results from its appeals for Congressional assistance, together with the continuing inflexibility of MPA and FAA, led the Mayor's Office to become increasingly hostile and angry. It felt that the FAA and MPA had refused to overcome their bureaucratic biases and consider the interests of the abutments as part of the "public interest." (40) A climactic stage in the relations between the City and the FAA was a March 28, 1969, meeting in Washington between Chester Bowers of FAA and several members of Mayor White's staff. (41) The subject of this meeting was a group of City "proposals, comments and explanations" concerning the Neptune Road situation that were contained in a communication from Traffic Commissioner McGrath to MPA's Edward King. This document stressed: (1) the physical importance of Neptune Road to the neighborhood, first, as a recreational area, and, second, as a visual and physical buffer, because of its trees; (2) the increase in noise and danger levels which would accompany the change in landing procedures that would allow aircraft to land twenty-nine feet over roofs, instead of the previous sixty-five feet; (3) the symbolic importance of Neptune Road to East Boston; and (4) the feasibility of the Segal-Johnson suggestions, and the increased probability of their implementation with active FAA or MPA support. (42)

Much of the discussion at the Washington conference centered around specific technical changes proposed by the City. Thus, the City suggested "displacing the threshold on runway 15 so as to maintain the present safety margins between the roofs of inhabited houses and descending aircraft." (43) The FAA replied by threatening to withhold funds for the extension if the threshold were further displaced. This willingness to reduce the safety margin from sixty-five to twenty-nine feet, as proposed by MPA, indicated that the FAA concept of the public does not include the safety or convenience of the people who live in the area.

Another City recommendation was to locate the localizer on MPA property in several different ways, all of which would leave Neptune Road intact. Bowers stated at the Washington meeting that any localizer near Neptune Road required actual flight testing before any flight procedures could be approved by the FAA. (44) According to City officials who attended the meeting, Bowers further agreed to allow the City to field test the localizer in its proposed location, saving Neptune Road, if the City would pay for the cost of the exploratory tests. (45) However, it appears that when the Mayor actually found funds to pay for the tests, the FAA suddenly dropped its offer. (46) This renegeing on the agreement of the March 28

meeting, probably a result of Shaffer's or Volpe's pressuring of lower FAA officials, incensed City officials.

In addressing the question of "clear zone requirements," the City representatives noted that these "requirements" and "standards" had been waived in other situations at Logan to suit the needs of the Massachusetts Port Authority. This question was avoided by FAA representatives.

Finally, the City inquired if the extension of the runway 200 feet into the ocean would resolve the problem. The FAA response was that "alternatives such as constructing 1500 feet to 2000 feet on the other end of the runway appear impractical from a cost standpoint and cannot be viewed as realistic solutions to the problem." (47) It was pointed out in a memorandum to Mayor White that this reply represented "a great distortion of the City's proposal, as there is a considerable difference in cost between a 200-foot and a 2000-foot extension toward the ocean." (48) It may also be noted here that the City asked for an FAA judgment based on what was practical "from a safety and operational point of view," not "from a cost standpoint." (49)

The Mayor's reaction to Bowers and other FAA officials' behavior over Neptune Road was disappointment, or rather indignation, at their inadequate, distorted, and misleading statements and actions. His conclusion (in an April 18 communication to Shaffer) was that the Washington office of the FAA had, like the local office, prejudged the case.

The thrust of the City proposals is that several alternatives are available which would allow the retention of Neptune Road as a buffer strip, and are well within the operational and safety practices of the FAA as applied in other cities and in other situations at Logan Airport itself. We had expected an impartial review of these proposals in this light. The actual treatment of our proposals by the FAA is an indication that we did not receive this. (50)

Thus, by failing to look out for the interests of both the "flying and non-flying publics," the FAA seriously "impaired public confidence in the Federal Aviation Administration." (51) The FAA's resistance to any changes of the original MPA plan made all of the City's efforts seem futile. The City unsuccessfully sought injunctive relief against the MPA in the courts.

MPA Bulldozers: Having allowed both the City government and

community residents to vent their frustration for several months, the MPA finally decided to take the 700-foot portion of Neptune Road physically on Wednesday, April 23, 1969. §2) Despite last-minute theatrics by State Representative George DiLorenzo, the Port Authority, assisted by workers from the Massachusetts Department of Public Works and protected by a phalanx of state police, proceeded to put up a fence across the western end of the disputed area, cut down thirty-five trees (one man per tree), and began regrading.

Boston Goes to Court: Having failed to hold back the Port Authority from moving onto Neptune Road, the City again appealed to the courts, disputing the Authority's right to the land on various grounds, including the lack of sufficient legislative authorization, technical deficiencies, etc. Like Loschi vs. MPA, however, the City of Boston vs. MPA was decided in favor of the Massachusetts Port Authority in January of 1970.

Thus, by 1970, the Massachusetts Port Authority had succeeded in implementing its plans for the extension of Logan runway 15-33 toward East Boston's Neptune Road that had been drawn up in 1959. A decade of airport expansion had been completed.

Two technical points ironically came forward in the last phase of the conflict. At the hearings in Supreme Judicial Court the MPA admitted that the "back course" signal of the localizer was not operable. The MPA technical case had laid great stress on the importance of this "back course." The City had insisted that it was of minor importance and that it would probably not function in any case because of other interference in the area. Subsequent events have proven the City's view correct.

Secondly, in April, after the case was definitely lost, the MPA applied for a permit from the DPW to fill tideland. This fill was to permit construction of a parallel runway 15L-33R. A year earlier, when the City consultants argued that the proposed parallel runway obviated the need for the back course of the localizer, Executive Director King insisted that the runway was 10 years away. In addition, included in the application was permission to fill about 2000 feet in the seaward direction at the end of runway 15-33, precisely what the community had urged as an alternate to the destruction of Wood Island Park and Neptune Road, but which had continuously been opposed by the FAA and MPA as too costly. Now that the parks and woods are gone, the MPA intends to fill the area it had decided was unfeasible to fill from a cost standpoint.(53)

Conclusion: The Neptune Road "Incident" adds to the long list of nationwide failures to gain some degree of local control over the policies and decisions of independent state and regional public agencies or authorities in metropolitan areas. In retrospect, the abortive Boston effort to challenge MPA's plans for airport expansion could not possibly have succeeded. The forces allied against the community were too powerful, and the groups favoring the challenge insufficiently organized and influential. The community movement to gain some control over the Authority's decision-making and planning process threatened formidable elements in both public and private sectors with a loss of power.

One of the lessons of Neptune Road was that relative to the community, the Massachusetts Port Authority commanded a disproportionate amount of economic, political, and technical resources. In this context, community behavior throughout the controversy may be viewed as a series of attempts by the "have-nots" (in terms of power) to gain sufficient power within the political system to make the institutions affecting their lives more responsive to their views, aspirations, and needs. The lower-class residents neighboring Logan wished to end their continuous exclusion from the political and economic power structure and to join in determining how information is shared, goals and policies set, tax resources are allocated, programs are operated and benefits like contracts and patronage parceled out.

In analyzing the interaction between the community and the Port Authority, several questions must be answered. What political strategies did the community employ in its attempts to change MPA plans and affect its decision-making process? How did the Port Authority meet the community challenge and block its major strategies?

In their attempts to broaden MPA's set of policy guidelines to include a more equitable and less disruptive allocation of public money, the community tried to convince those with power to exert some pressure over the MPA to take into account the community complaints. First, the community aimed at the state governmental instrumentalities having some control over MPA actions -- the state legislature and the Governor. Later, it attempted to get at the Port Authority through the federal government -- the Massachusetts Congressional delegation, the Department of Transportation, and, of course, the FAA, which had some degree of control over the MPA.

Chiefly through his East Boston "Little City Hall," Mayor Kevin White was able to carry out his 1967 campaign promise to "respond to the human needs of Boston's citizens." (54) Therefore, Fred Salvucci, the "Little City Hall" manager, acted as a consultant for the community -- interpreting MPA

plans, relating expressed neighborhood values to those plans, and suggesting relatively minor changes to bring the plans into conformity with community interests. He provided East Boston with a "spokesman capable of presenting its plans in a manner understandable to planning decision-makers." (55) In other words, Salvucci's role was as an "advocate" for community complaints, and as a "conduit" for those neighborhood grievances to city, state, and federal governmental agencies.

The City of Boston therefore provided the community with the necessary middle-class spokesman and the technical expertise to overcome the existing information and class barriers, and to challenge the Port Authority planners. It served to bring to the surface the views of the poor, then "submerged" by the predominating middle-class Authority officials. It enabled a community that did not share the same middle-class bias and orientation to confront the MPA over specific planning issues. (56)

In that ongoing Neptune Road controversy, the focus of attention was on eminent domain takings and Port Authority land acquisition policies and plans. As the homes of small property-owners were directly threatened, and the working-class life-style of the community endangered as well, the residents of East Boston started "getting together." Despite the rise in community cohesiveness and the contributions of the "Little City Hall," the struggle to gain greater access to the MPA decision-making process was stifled by MPA's apparently unyielding posture toward the community. The community's response to the MPA's administrative and financial autonomy was that the Authority failed to "represent" adequately its community "constituency" or "public."

The reasons for MPA insensitivity and resistance toward the community relate to the Authority's bias toward middle-class "users" and bondholders, with the lower-class airport neighbors remaining neglected and ignored. In response to critics who claim that the MPA continually overlooked community feelings, the Authority asserts that it has:

often, on its own initiative, sponsored community betterment activities, these including the sponsorship of college scholarships, the allocation of monies for summer athletic scholarships at Domenic Savio High School in East Boston, donations to Little League teams, purchase of trophies and uniforms for high school athletic teams, purchase of ice time for hockey teams, construction of a playground on Neptune Road, and construction of a lighted Little League field including annual maintenance. (57)

It may be noted that no mention whatsoever is made of initiatives regarding effective noise or air pollution controls, less aggressive land-buying activities, or even a serious alternative to runway extensions and Logan encroachment -- issues that have significant effects for the residents. The community therefore viewed the efforts of Authority planners at Logan expansion as an imposition of middle- and upper-middle-class values and goals on a neighborhood with conflicting beliefs about the virtues of airports.

The community's struggle raised several important issues. First, the overt and hidden costs of MPA policies to the East Boston community were clearly delineated, and the inequitable distribution of costs and benefits between "haves" and "have-nots" stressed. Second, the Port Authority's lack of responsiveness and accountability was pointed out, with special emphasis on its decision-making structure, which was thoroughly imbued with middle-class values and priorities. The community's failure to affect MPA's expansion plans led to a rise in public concern over Authority activities, which was translated into an increasingly critical analysis of its financial, legal, and administrative apparatus.

The Massachusetts Port Authority's disregard for the costs of Logan expansion to the airport's neighbors stemmed from several factors. One cause has been pointed out by Luther Gulick:

When you set up a function in a single authority, that single authority knows it was designed to do a certain job -- and its work is the most important task in the world. Nothing can stand in the way of what the authority is planning to accomplish. They don't care if they bankrupt the town -- they're going to get the job done because ~~that~~'s the only job they have to do. (58)

In creating the Massachusetts Port Authority in 1956, the legislature had granted the new agency a great degree of financial and administrative autonomy. At the same time, the legislature limited the Authority's operations to a number of closely-related transportation functions (bridge, port, airport). This limited scope had several obvious implications.

First, like many single-function bureaucracies, the MPA soon lost sight of the "public interest" it was meant to serve, and became obsessed with the performance of its "job," defined in increasingly narrow terms. The legislature had hoped that the new agency would be free from the "special interest" and political pressures that had plagued previous Logan administrations. However, this "good government" notion that the MPA could remain "out of politics" and could pursue its functions with "business-like efficiency and economy" was doomed from the

start. An agency endowed with such wide powers in a particular functional area would be difficult to insulate from the vested interests that would inevitably grow around it. Furthermore, the MPA itself gained a vested interest in the continuation of the "job" for which it was established, and became a self-perpetuating institution. The end-result was therefore that the Port Authority came to ignore its local community and city "constituencies" in favor of very restricted specific publics (bondholders and "users").

What has happened is that the Authority's supposedly "rational" decision-making processes have failed to take into account sufficiently the external and internal costs of its activities. The Port Authority's indifference to the effects of Logan expansion on neighboring community residents points to the fallacy in the distinction often drawn between "public-regarding" and "private-regarding" groups. The former characteristic has most often been attributed to the middle- and upper-middle class people concerned with efficiency, fiscal integrity, continuity, while the citizens who complain of local noise pollution, traffic congestion, and perpetual uncertainty are viewed as short-sighted and "private-regarding." In fact, it has been the Port Authority -- whose set of priorities and goals neglect the interests of a significant segment of the metropolitan population -- that has exhibited to a greater extent "private-regardedness."

To recapture its original purpose -- serving the "public interest" -- the MPA should undertake to avoid future "Neptune Roads." In other words, it should avoid imposing costs on politically powerless groups unable to block planned "progress." The East Boston community's experience during the Neptune Road controversy illustrates the inequities of the present political system's decision-making structure, and of the general social structure in urban areas. Because no mechanism existed to take into account community opinion, the decisions were ultimately determined by the groups in society with the most financial, technical, and political resources.

One solution to this problem would be to compensate those people in society most adversely affected by "progress." However, due to the inherent subjectivity involved in determining adequate compensation, this alternative appears to be a poor second-best. The ideal solution would be one in which the allocation of resources hurts no one, and benefits at least some people. The attainment of this "Pareto optimum" could best be achieved by building into the present policy-making and planning processes mechanisms that require community consent for improvements that directly influence their lives. This solution may indeed lead to delay or outright rejection of "progress." However, when the greatest number of people directly affected by a decision are observed to move from a higher to a lower state of satisfaction, than it is time to redefine "progress."

FOOTNOTES

1. The idea for "developing Logan airport" and extending runway 15-33 did not originate with the Port Authority. As early as 1945, the State of Massachusetts, which was then operating Logan, was considering the eventual extension of 15-33 toward East Boston, a high-density, low-income neighborhood. Land takings by the State of Massachusetts around Neptune Road noticeably increased. In 1944 and 1945, by several "orders of taking" adopted by the Massachusetts Department of Public Works (DPW) for the purpose of "developing Logan airport," the state became owner of the privately-owned land along both the westerly and easterly sides of the presently disputed portions of Neptune Road. Other parts of Neptune Road were taken in 1949 and 1950 by the Massachusetts Transportation Authority (MTA).

Another stage in the gradual expansion of Logan toward Neptune Road occurred in 1949 on the recommendation of the State Planning Board. An agreement was signed between the State of Massachusetts and the City of Boston, whereby Boston gave up Wood Island Park and Amerina Field and \$300,000 in return for East Boston Stadium, located at the airport entrance, and the construction by the state DPW of Orient Heights Beach, known as Shea's Beach. (One of the considerations underlying this trade was the City's naive belief that it was gaining two additional recreational areas. It was unable to foresee the eventual takeover of airport administration by the MPA, and the subsequent loss of Wood Island Park and Amerina Field as recreational areas to the "needs of airport development.") The state legislature overwhelmingly approved the swap in 1949, and the trade was consummated in 1954. (The land given up by the City did not include any part of Neptune Road.)

However, between World War II and 1956 Logan administrators were unable to take advantage of this gradual expansion of airport properties into East Boston, and develop Logan as a major airport. During the immediate post-war period, the management of Logan suffered from a diffusion of responsibility among various governmental agencies, each having control over different functions at the airport. There were frequent changes in ownership and in operational responsibilities, which led to even further confusion. This jurisdictional overlap, together with the inability of public governmental agencies to undertake effectively joint responsibility for the provision of services, resulted in inefficiency, ineffectiveness, and frequent inertia.

- 1a. From "Regulations of the Administrator of the FAA," according to the Federal Airport Act of 1946. Among the wide variety of projects "eligible" for FAAP funds were: 1) paving and grading, 2) lighting and electrical work, 3) terminal building, 4) internal roads, 5) fencing and side-walks, 6) land acquisition. "Land acquisition" covers, among other things: a) land necessary for the expansion of physical facilities, b) purchase of land for use in runway approaches if it is in the interest of "public safety," and c) acquisition for clearing of obstructions "for clear-zone purposes."
2. Excerpt from "Regulations of the Administrator of the FAA." Especially important is section 550.
3. The affected area of Neptune Road consisted of several private residences and 700 feet of City-owned property, lying between the MBTA station and airport property.
4. Restriction governing federal funds for airport development are contained in the Federal Airport Act of 1946 (Public Law 377, 79th Congress), as amended.
5. See Boston Globe, May 4, 1969.
6. December 5, 1966, speech by Governor John Volpe.
7. Loschi vs. MPA, 354 Mass. 53, p. 55.
8. From the briefs of The City of Boston vs. MPA case.
9. June 18, 1968, petition of Massachusetts Port Authority to the Boston Public Improvement Commission.
10. Other members of the PIC include Boston Traffic Commissioner and Parking Commissioner.
11. All the arguments in this section are derived from the transcript of PIC hearings on August 13, 1968.
12. Tulsa Metropolitan Area Planning Commission, "1975 Metropolitan Tulsa Airports and Their Relationship with Surrounding Land Uses," June, 1960, p. 18.
13. See footnote 11.
14. September 23, 1968, letter from Murray D. Segal and Robert D. Johnson to Rick Kuner (chief transportation planner for the Boston Redevelopment Authority).
15. Interview with Fred L. Salvucci (Manager, East Boston Neighborhood Service Center).

16. November 21, 1968 letter from M.D. Segal and R.D. Johnson to William R. McGrath (Boston Traffic Commissioner).
17. Excerpt from Federal Register, Volume 34, #8, January 11, 1969, and from FAA "Noise Standards."
18. Note the exclusion of community representatives, as the City was already assumed to act as their spokesman.
19. December 10, 1968 letter from Edward King (Executive Director of the MPA) to Joseph Casazza (Commissioner of DPW).
20. Ibid.
- 20a. December 14, 1968 letter from Edward King to Kevin White.
21. February 14, 1969 press release of Traffic Commissioner William McGrath (member of the PIC).
22. Ibid.
23. January 29, 1969 letter from Mayor White to MPA's King.
24. February 12, 1969 announcement of "order of taking" by the MPA (confirmed in February 26 letter to White from MPA's Secretary-Treasurer Edward Hanley).
25. Acts of 1956, op. cit.
26. Chapter 383, Acts of 1964, section 2.
27. Memo from Rick Kuner (BRA) to Frederick Salvucci (undated).
28. March 11, 1969 letter from Secretary Volpe to MPA's King.
29. March 14, 1969 letter from Secretary Volpe to Mayor White.
30. March 24, 1969 letter from Cullinan to Governor Sargent.
31. March 25, 1969 letter from Cullinan to Sargent.
32. East Boston Legislative Council's minutes of February 15 meeting.
33. February 21 and March 6 letters from King to Father Pitaro of the East Boston Legislative Council.
34. March 26, 1969 letter from Pitaro to Secretary Volpe.

35. March 26, 1969 telegram from Pitaro to Governor Sargent.
36. Throughout the Neptune Road controversy, the East Boston Times served as an accurate index of community feeling.
37. March 26, 1969 letter from Pitaro to Secretary Volpe.
38. March 21, 1969 letter from White to O'Neill, McCormack, Kennedy, and Brooke.
39. March 19, 1969 letter from Congressman Thomas O'Neill to Shaffer.
40. March 27, 1969 interview with Fred Salvucci.
41. Fred Salvucci, William McGrath and Samuel Merrick were Mayor White's representatives.
42. City proposals, comments, and explanations contained in March 24, 1969 letter from McGrath to King.
43. April 11, 1969 memo from Fred Salvucci to Mayor White, entitled "On FAA response on proposals to retain Neptune Road."
44. Notes of Fred Salvucci, taken at March 28, 1969 meeting.
45. Salvucci memo, op cit.; April 18, 1969 letter from White to FAA's Shaffer.
46. Ibid.; According to sources in the Mayor's office, the FAA offer had also been confirmed by phone.
47. Salvucci memo, op. cit.
48. Ibid.
49. Ibid.
50. Ibid.; April 18, 1968 White letter to Shaffer.
51. Ibid.
52. It is interesting to note here that a court case was pending on Friday, April 25, to determine whether or not the Port Authority could seize the disputed section of Neptune Road.
53. Interview with Fred Salvucci.
54. Alan Lupo, "Communities," City Magazine, April, 1969, p. 6.

55. Paul Davidoff, "The Role of the City Planner in Social Planning," in Proceedings of the 1964 Conference of the American Institute of Planners.

56. For further discussion of community advocates, see Lisa R. Peattie, "Reflections in Advocacy Planning," AIP Journal, March, 1968.

57. Massachusetts Port Authority Annual Report, 1969.

58. Quoted in Robert G. Smith, Public Authority Special Districts and Local Government (Washington; National Association of
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